

Important disclaimer

This is modeling based on assumptions below that came from conversations with affordable housing developers, review of reports on market data, grand lists, and housing data. It is by its nature an approximation, and is purely an attempt to provide information that adds context to your decision making.

What this doesn't include

Separation of Municipal and Education Fund Taxes. It includes them both in the calculations, as well as in the increment

Real examples of development

An assessment of the cost of infrastructure, or any "but for" test

Impact of including commercial uses in the development

Borrowing

Borrowing Interest Rate	5%
Term (months)	240

Single Family Homes

Tax Rate	1.78%	average statewide - includes municipal taxes, too
Cost of permitted land for single family homes	\$100,000	ballpark number -- typically a little higher in Chittenden County and other higher value areas; recent appraisal had higher in Hinesburg
Market For Sale value	\$616,500	new home construction - VHFA, 2023
Affordable For Sale value	\$431,550	@ 70% of market

Multifamily Apartments

Cost of permitted land per apartment	\$25,000	range of values depending on location in Allen, Brooks, and Minor report
Tax per unit undeveloped land	\$30	estimate for formula
Tax per unit/per month market	\$325	wide range found, this is middle of four developments built in last few years
Tax per unit/per month affordable	\$125	Evernorth uses this to develop their proformas

Homeownership Development

	Current Construct In S.127			Higher Increment Mixed Income	Lower Increment if no Affordable
	100% Market	Mixed Income	100% Affordable		
Homes built	50	50	50	50	50
Percent Market Rate	100%	80%	0%	80%	100%
Percent Permanently Affordable	0%	20%	100%	20%	0%
Increment Retention Percentage	70%	80%	80%	90%	60%
Single Family Home, Market Rate					
Value of home	\$616,500	\$616,500	\$616,500	\$616,500	\$616,500
Total Value of Development	\$30,825,000	\$24,660,000	\$0	\$24,660,000	\$30,825,000
Prior Value of Land	\$5,000,000	\$4,000,000	\$0	\$4,000,000	\$5,000,000
Taxable Value of Development Under CHIP	\$25,825,000	\$20,660,000	\$0	\$20,660,000	\$25,825,000
Retention Percentage	70%	80%	80%	90%	60%
Property Taxes Collected	\$459,685	\$367,748	\$0	\$367,748	\$459,685
Property Taxes Retained	\$321,780	\$294,198	\$0	\$330,973	\$275,811
Debt Available	\$4,063,145	\$3,714,875	\$0	\$4,179,235	\$3,482,696
Single Family Home, Permanently Affordable					
Value of home	\$431,550	\$431,550	\$431,550	\$431,550	\$431,550
Total Value of Development	\$0	\$4,315,500	\$21,577,500	\$4,315,500	\$0
Prior Value of Land	\$0	\$1,000,000	\$5,000,000	\$1,000,000	\$0
Taxable Value of Development Under CHIP	\$0	\$3,315,500	\$16,577,500	\$3,315,500	\$0
Retention Percentage	70%	80%	80%	90%	60%
Property Taxes Collected	\$0	\$59,016	\$295,080	\$59,016	\$0
Property Taxes Retained	\$0	\$47,213	\$236,064	\$53,114	\$0
Debt Available	\$0	\$596,160	\$2,980,801	\$670,680	\$0
Total Debt Available to Pay for Infrastructure	\$4,063,145	\$4,311,036	\$2,980,801	\$4,849,915	\$3,482,696

Rental Development

	Current Construct In S.127			Higher Increment Mixed Income	Lower Increment if no Affordable
	100% Market	Mixed Income	100% Affordable		
Apartments built	50	50	50	50	50
Percent Market Rate	100%	80%	0%	80%	100%
Percent Permanently Affordable	0%	20%	100%	20%	0%
Increment Rentention Percentage	70%	80%	80%	90%	60%
Multifamily, Market Rate					
Retention Percentage	70%	80%	80%	90%	60%
Tax Rate Per Apartment	\$325	\$325	\$325	\$325	\$325
Property Taxes Collected	\$16,250	\$13,000	\$0	\$13,000	\$16,250
Tax on Land prior to development	\$1,500	\$1,200	\$0	\$1,200	\$1,500
Property Taxes Retained	\$10,325	\$9,440	\$0	\$10,620	\$8,850
Debt Available	\$1,564,499	\$1,430,399	\$0	\$1,609,199	\$1,340,999
Multifamily, Permanently Affordable					
Retention Percentage	70%	80%	80%	90%	60%
Tax Rate Per Apartment	\$125	\$125	\$125	\$125	\$125
Property Taxes Collected	\$0	\$1,250	\$6,250	\$1,250	\$0
Prior Tax on Land prior to development	\$0	\$300	\$1,500	\$300	\$0
Property Taxes Retained	\$0	\$760	\$3,800	\$855	\$0
Debt Available	\$0	\$115,159	\$575,796	\$129,554	\$0
Total Debt Available to Pay for Infrastructure	\$1,564,499	\$1,545,558	\$575,796	\$1,738,753	\$1,340,999