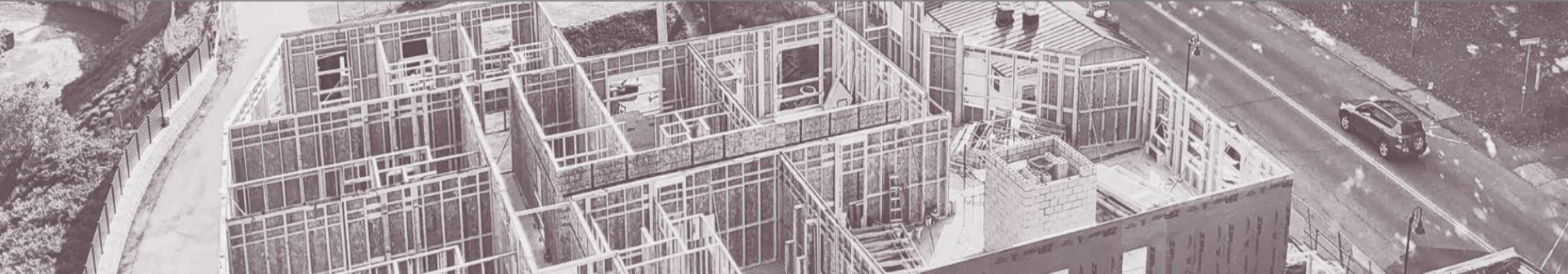


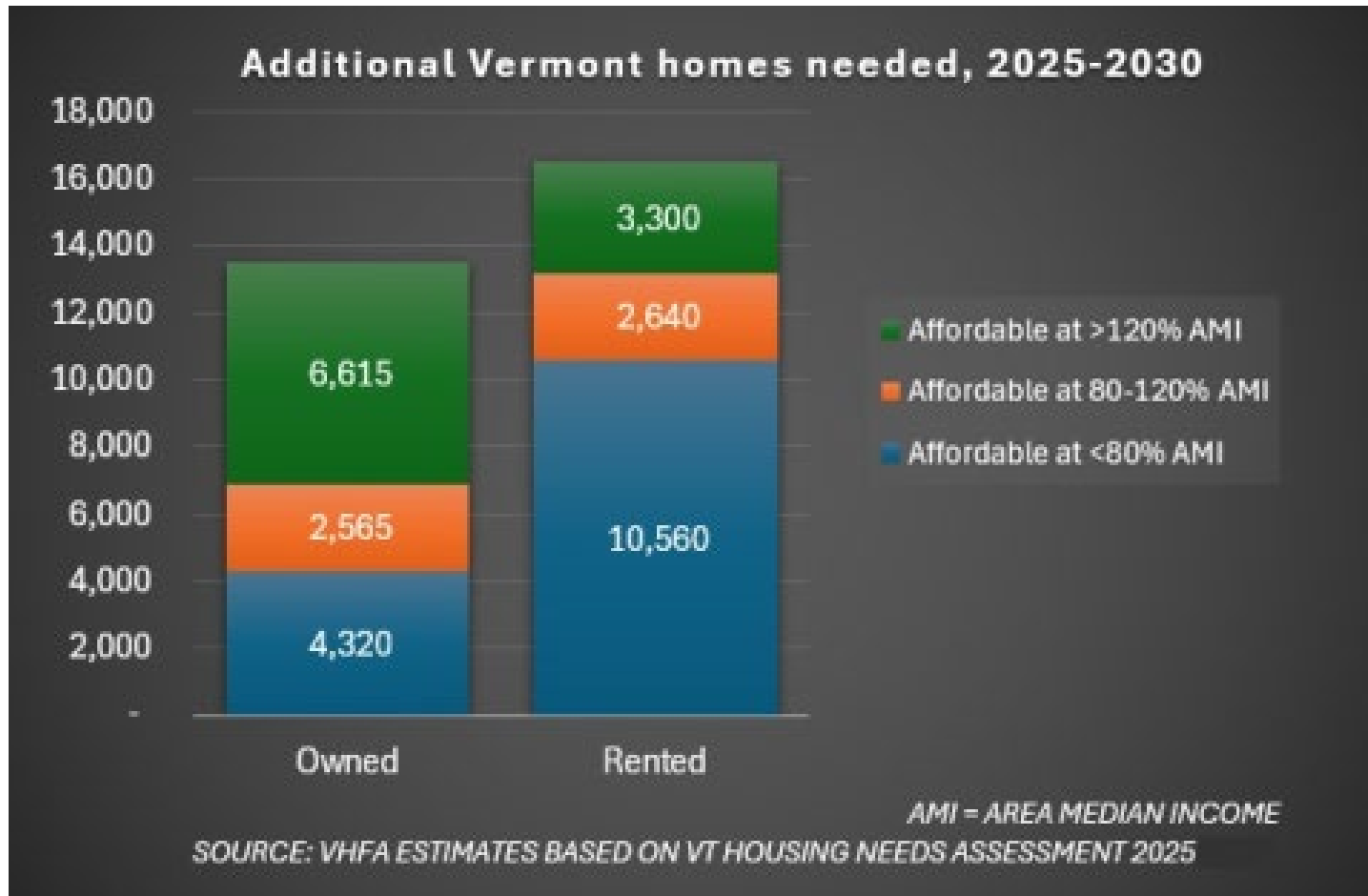


VHFA Update

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(What's Needed?)



Source: 2024 Housing Budget & Investment Report

2024 State and Federal Funds and Private Equity Combined for Housing Development (Amounts Do Not Include Administrative Overhead / Operations)				
SOURCES	VERMONT HOUSING AND CONSERVATION BOARD	DEPT OF HOUSING AND COMMUNITY DEVELOPMENT	VERMONT HOUSING FINANCE AGENCY	TOTALS
State Appropriation	\$10,667,175			\$10,667,175
State One-time General Funds	\$43,000,000			\$43,000,000
State sub-award of GF from AHS	\$0			\$0
Federal Housing Program Revenue	\$20,219,744	\$5,503,810		\$25,723,554
Private Equity Generated by Federal Housing Credit*			\$28,560,000	\$28,560,000
Private Equity Generated by Federal Bond Credit**			\$12,871,763	\$12,871,763
Private Equity Generated by State Housing Tax Credit***			\$5,922,500	\$5,922,500
TOTAL SOURCES	\$73,886,919	\$5,503,810	\$47,354,263	\$126,744,991
USES				
Multi-family Rental Housing using Equity from State Housing Tax Credit			\$1,760,000	\$1,760,000
Down Payments for New Energy Efficient Manufactured Homes using Equity from State Housing Tax Credit			\$1,408,500	\$1,408,500
Down Payment Assistance for New Homes using Equity from State Housing Tax Credit			\$1,629,000	\$1,629,000
Down Payment Assistance for First Time Homeowners using Equity from State Housing Tax Credit			\$1,125,000	\$1,125,000
Programs providing grants/loans for affordable housing development projects	\$73,886,919	\$5,503,810	\$41,431,763	\$120,822,491
TOTAL USES	\$73,886,919	\$5,503,810	\$47,354,263	\$126,744,991
*Estimated based on 2024 allocation of \$3.36 million in federal 10-year credits and an average of prices paid by investors in recent years.				
**Estimated based on \$1.5 million in federal 10-year bond credits provided in 2024 and average prices paid by investors in recent years.				
***Estimated based on 2024 allocation of \$1.375 million in state 5-year credits and an average of prices paid by investors in recent years.				

What Did That Added Investment Unlock?

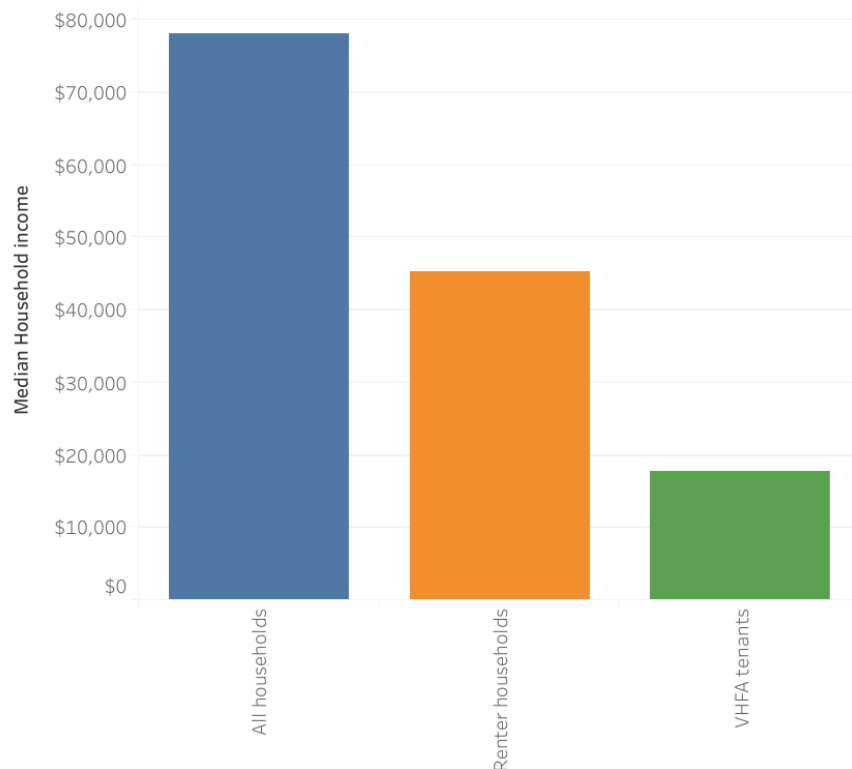
- Vermont's ability to use more tax-exempt financing
 - 2013-2021 Vermont lost \$300M
 - No real losses 2022-2024 when ARPA money was available
 - 2025 – lost some volume cap again
- What are the benefits of tax-exempt financing?
 - Lower interest rates on loans
 - Automatically makes a project eligible for 4% federal tax credits, which can fund 35% of a development

Year	Volume Cap Lost
1998	
1999	
2000	
2001	
2002	
2003	
2004	
2005	
2006	
2007	
2008	
2009	
2010	
2011	-
2012	-
2013	(30,949,525)
2014	(59,668,846)
2015	(10,691,087)
2016	(35,075,000)
2017	(35,205,000)
2018	(45,955,000)
2019	(29,910,001)
2020	(42,200,000)
2021	(12,686,838)
2022	(680,239)
2023	-
2024	-
2025	(11,430,411)

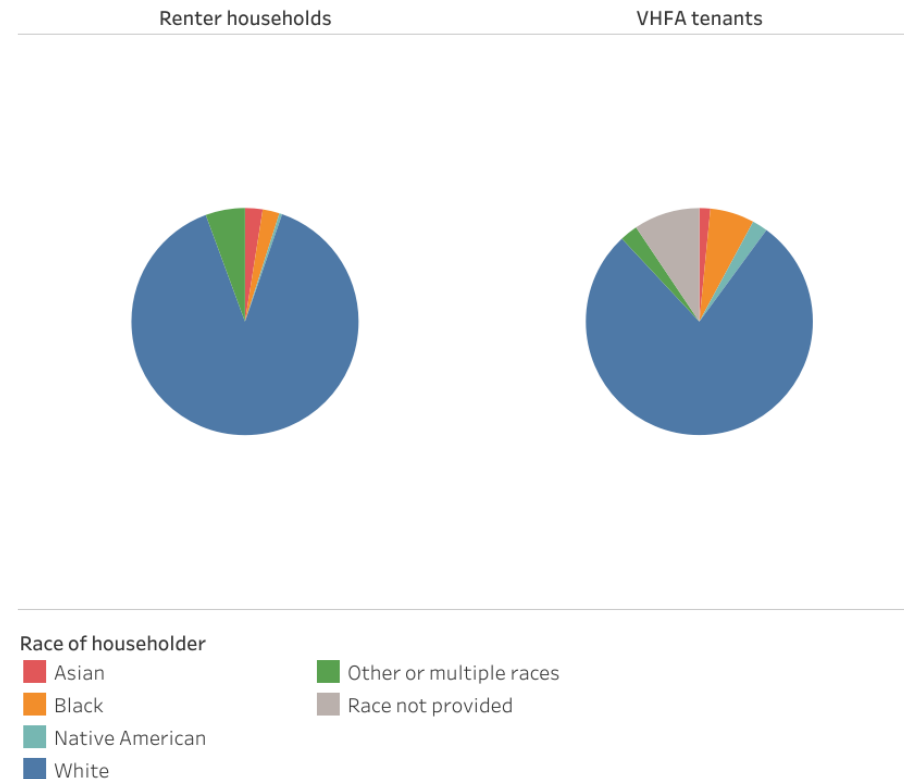
Benefits of Federal Tax Credits

- Pays for 35% to 70% of an affordable housing development.
- Brings in private investments that would otherwise go to pay federal taxes – but invests that in Vermont

Median household income

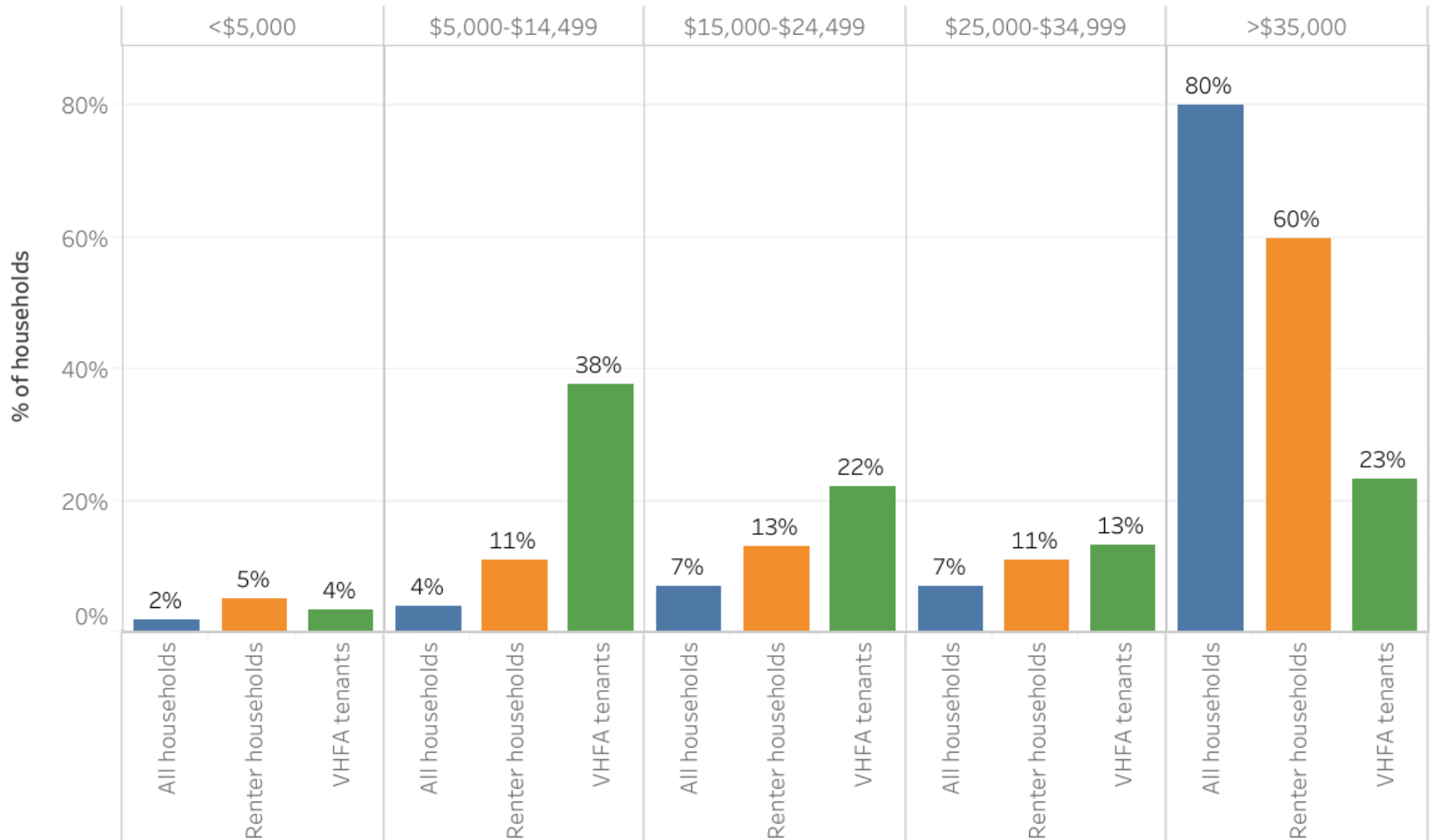


Race of renter households



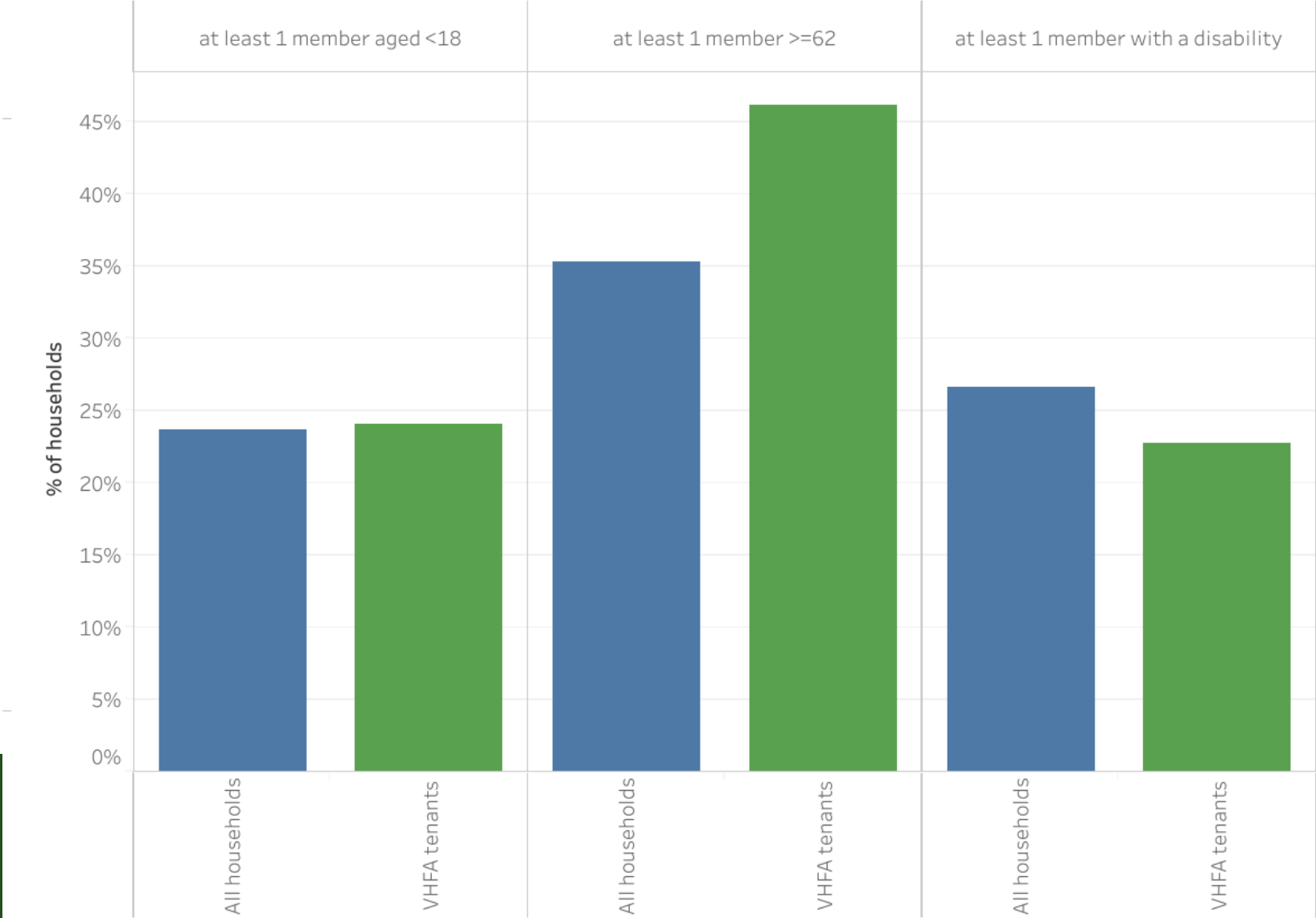
Who Is Served by Federal Tax Credits

Distribution by annual household income



Who Is Served by Federal Tax Credits

Age & disability status



State Credits Mirror Federal Credits

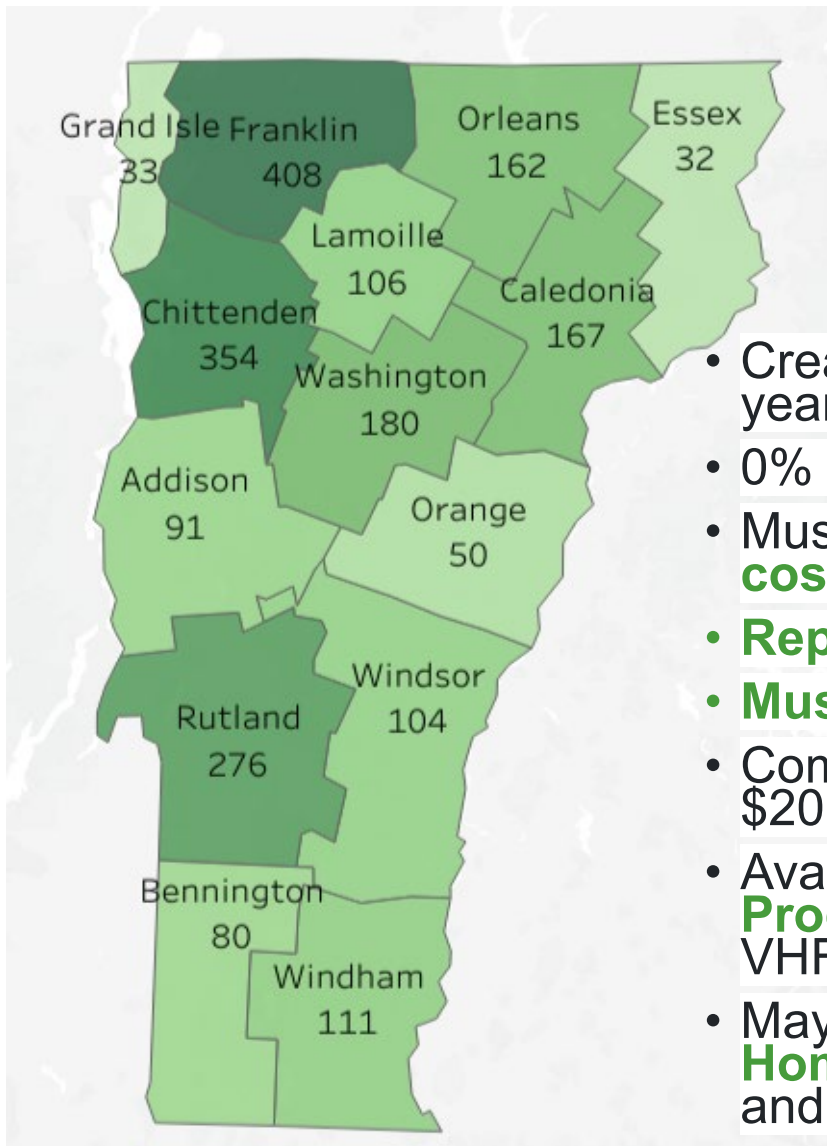
- **Up to \$2 million/year to develop affordable rental housing**
 - Leverages state investments & federal tax credits that take advantage of the tax exempt financing
- **Up to \$3,375,000/year to develop affordable for-sale housing**
 - \$1,250,000 of this must be used for manufactured home purchase and replacement



Specs

- Floors:
- Bedrooms: **3**
- Bathrooms: **1**
- Sq. Feet: **960**

VHFA's Down Payment Assistance Program



- Created in 2014. Sold the last tax credits this year.
- 0% **deferred loan** with no monthly payments.
- Must be used for **down payment** and **closing costs**.
- **Repaid** at sale, refinance or mortgage payoff.
- **Must be true first-time homebuyers.**
- Combined **liquid assets** must be less than \$20,000.
- Available only when using a **VHFA Loan Program** (Must meet eligibility requirements for a VHFA first mortgage).
- May be combined with **First Generation Homebuyer Grant** for additional down payment and closing costs.

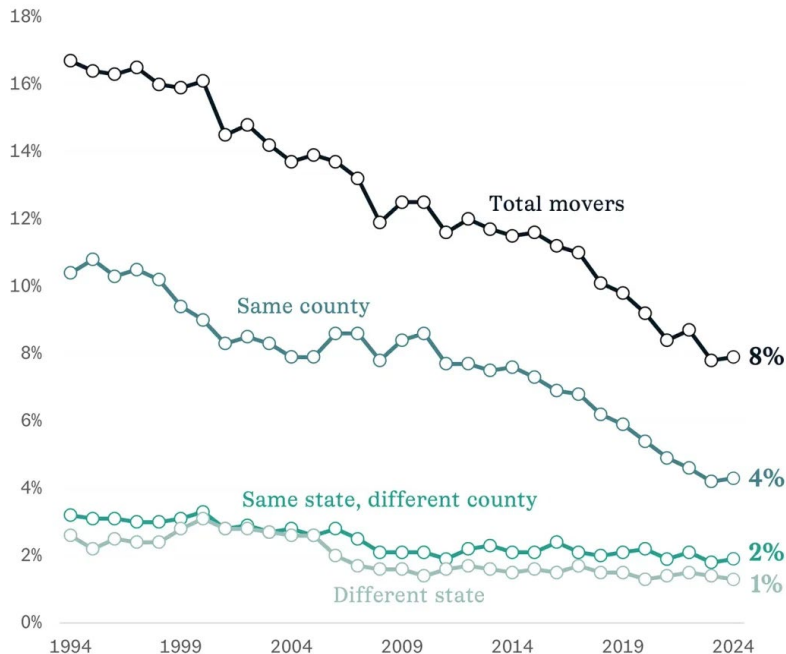
Average Customer (FY 25)

All data are median	With VHFA DPA	Without VHFA DPA
Appraised Value	\$253,000	\$310,000
Purchase Price	\$247,000	\$300,000
Mortgage Loan Amount	\$224,435	\$260,100
Annual Income	\$89,944	\$99,189
Loan To Value	91%	86%
Closing Costs	\$9,573	\$10,576
Credit Score	717	749
Borrower Age	32	35
Family Size	2.2	2.0
Race	White: 83% BIPOC: 5%	White: 85% BIPOC: 6%
First-Time Homebuyer	100%	84%
Student Debt	\$45,863	\$52,241

Slower repayments reflect national trends

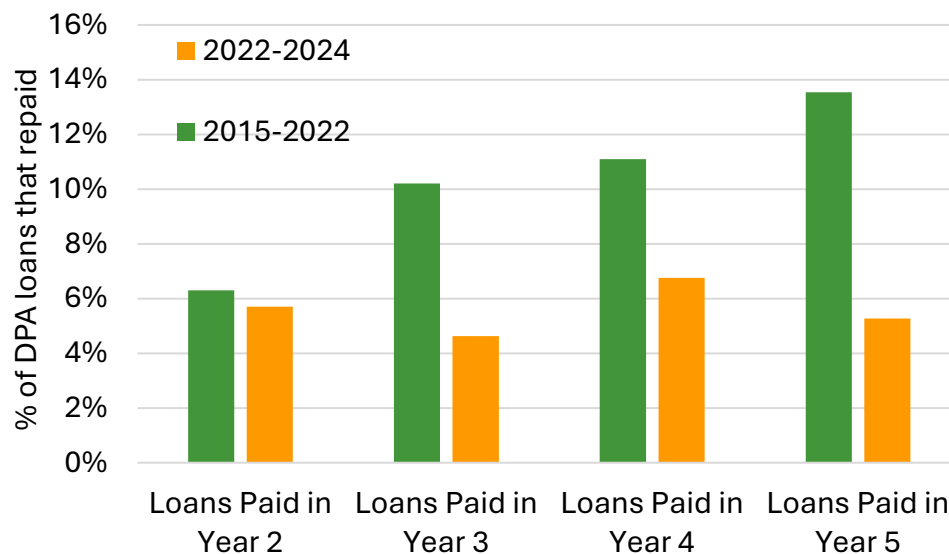
NOT GOING PLACES Americans Aren't Moving As Much Anymore

% Share of Americans Moving [Annual]

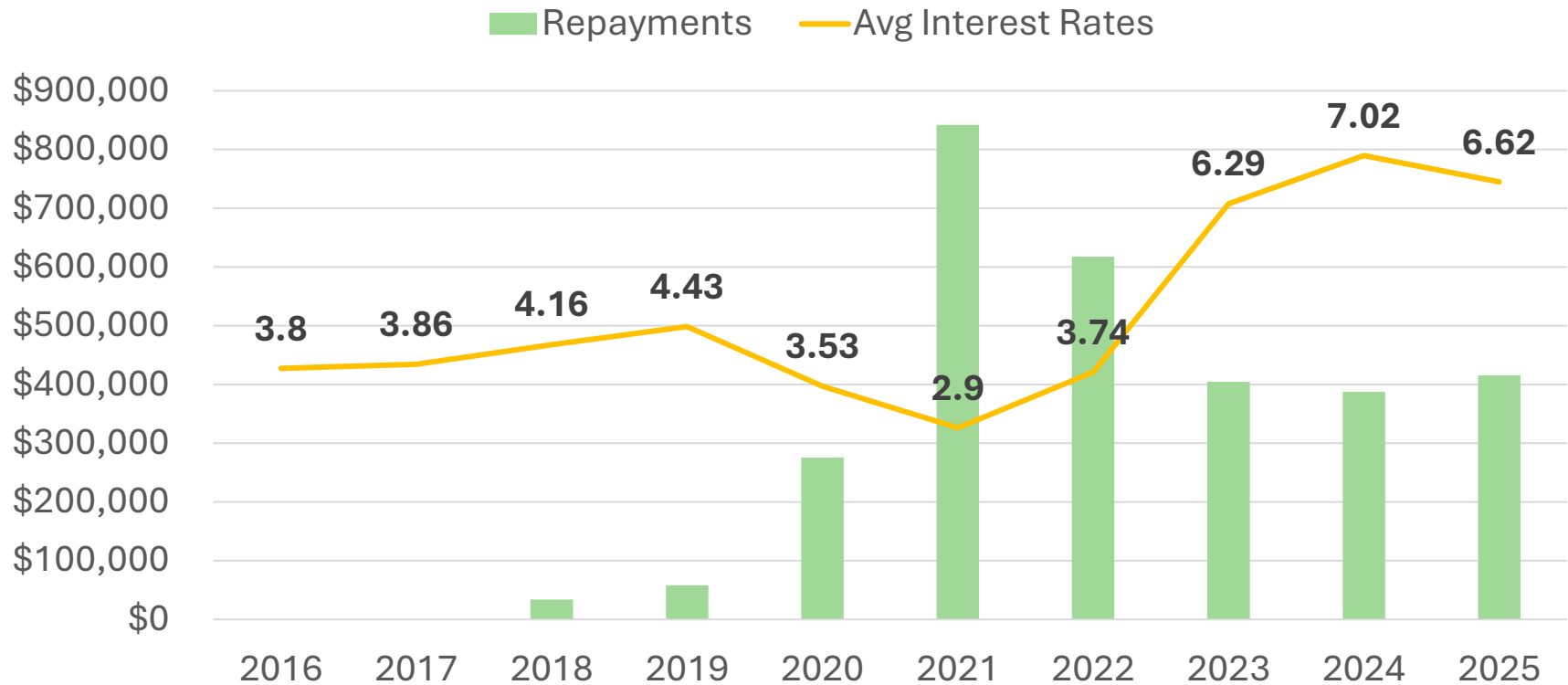


Source: Census Bureau, Current Population Survey via the WSJ

DPA repayments fell when interest rates rose in 2022



ASSIST DPA Repayments Slowed As Rates Rose



VHFA DPA built wealth for Vermont renters who bought their first homes



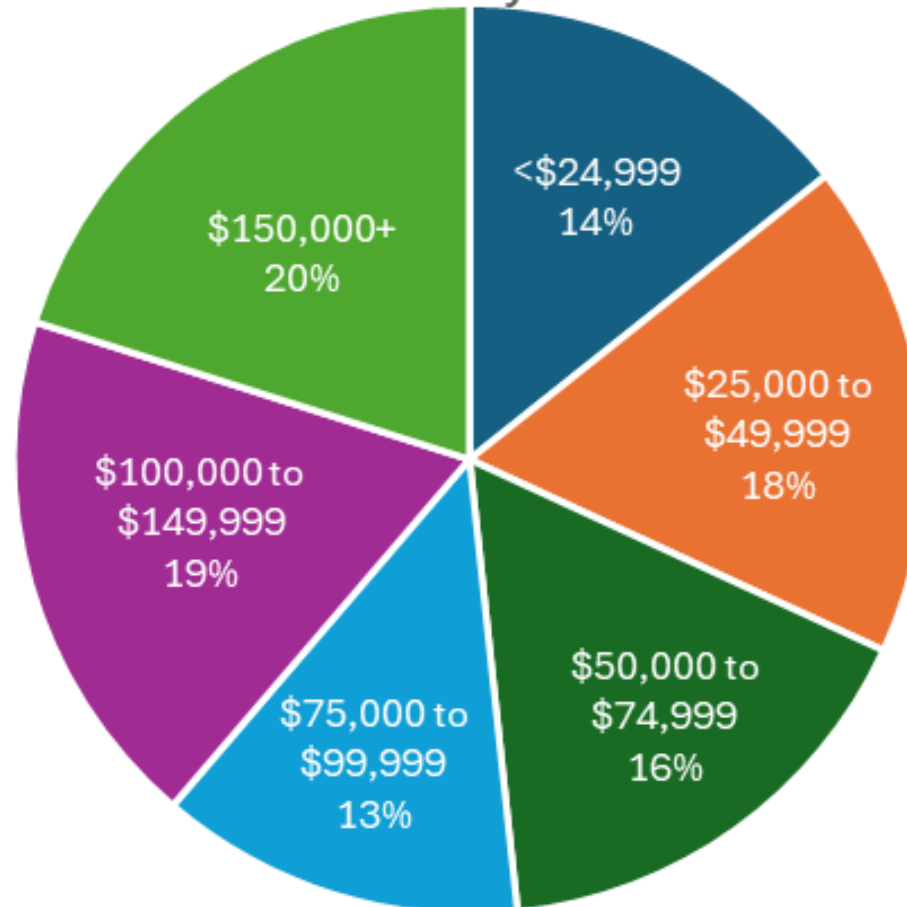
- Over this program's history, VHFA has helped **2,153** households buy their first home.
 - **63%** of these loans are still outstanding (\$11.1 M). The estimated median amount their home has appreciated so far is **over \$78,000**.
 - Additionally, **506** loans have been paid back, freeing up **\$3M** for VHFA to re-lend. The estimated median amount those homes appreciated was **over \$50,000**.
- DPA spurred generation of **\$137+ million** in wealth for first-time buyers so far at a cost to the state of roughly \$9 million.
- Have been moving 150+ renters into ownership annually. This year that will shrink to ~40.
- Requesting \$350,000 in state tax credits for 5 years to keep program open.

Middle Income Homeownership Development Program

- Available project funds: \$22.8 million
- 2 award cycles in 2024, all funding awarded
 - Awards: \$22.8 million
 - Completed 8 homes
 - 26 @ Bay Ridge (occupied)
 - 37 @ Stonecrop
 - 1: 6 units completed; 2 December 25 – May 26; 3: Spring 27
 - 75 more under construction
 - 10 more in pre-construction
 - Withdrawn: \$7.5 million
 - Largest was condos in NEK. High construction costs, now propose rentals. Expansive site for 120 additional units + future homeownership.
 - Reallocations: \$1 million
 - Available to reallocate: \$6.4 million



Vermonters by Income



[Households by income | HousingData.org - Directory of affordable rental housing](#)
2019-2023 brought to 2023 dollars

Who Does VHFA Serve? (2025 chart)

County	% Area Median Income (AMI)			
	80%	100%	120%	150%
Addison	\$92,880	\$116,100	\$139,320	\$174,150
Bennington	\$87,440	\$109,300	\$131,160	\$163,950
Caledonia	\$77,280	\$96,600	\$115,920	\$144,900
Chittenden	\$104,320	\$130,400	\$156,480	\$195,600
Essex	<p>Weighted average of 150% AMI is \$169,000</p> <p>30% of that, monthly is \$4,225 for housing costs</p> <p>(Virtually) no rentals are that high in Vermont</p> <p>An “affordable” mortgage at that income would be \$591,678 – so a home priced over \$650,000</p> <p>Of the 6,574 homes sold in VT in 2025, 80% cost less than this.</p>			\$106,200
Franklin				\$195,600
Grand				\$195,600
Lamoille				\$147,300
Oranget				\$154,950
Orleans				\$138,300
Rutland				\$144,450
Washington				\$165,600
Windham				\$144,900
Windsor	\$88,400	\$110,500	\$132,600	\$165,750

Addison County	% Area Median Income (AMI)			
	80%	100%	120%	150%
2 bedroom	\$253,000	\$317,000	\$380,500	\$475,500
3 bedroom	\$293,000	\$366,000	\$439,500	\$549,500
4 bedroom	\$327,000	\$408,500	\$490,000	\$613,000

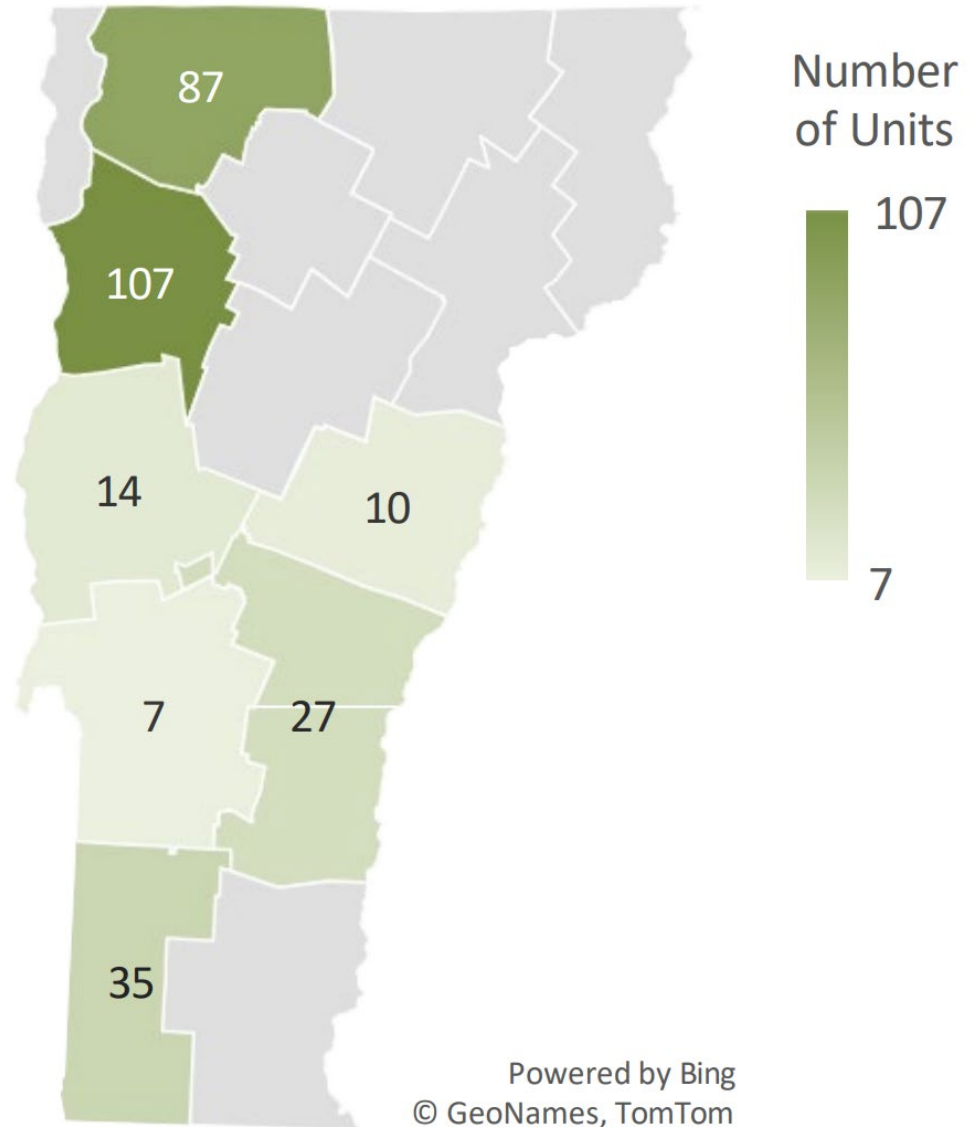
Chittenden, Franklin, Grand Isle Counties	% Area Median Income (AMI)			
	80%	100%	120%	150%
2 bedroom	\$283,500	\$354,500	\$425,500	\$532,000
3 bedroom	\$327,500	\$409,500	\$491,500	\$614,000
4 bedroom	\$365,500	\$456,500	\$548,000	\$685,000

All other counties	% Area Median Income (AMI)			
	80%	100%	120%	150%
2 bedroom	\$243,500	\$306,500	\$367,500	\$459,500
3 bedroom	\$282,000	\$352,000	\$422,500	\$528,500
4 bedroom	\$314,500	\$393,000	\$471,500	\$589,500

Rental Revolving Loan Fund

- Available project funds: \$9.8 million
- 16 applications for \$21 million
- Most projects not highly ready to proceed
- Several were offered Technical Assistance
 - 265 homes to be created across 9 projects in 7 counties.
 - 6 projects under construction
- 12 of the 16 had a municipal or employer investment.

Recommendation Home Distribution





Household income (median) | [HousingData.org](https://www.housingdata.org/) - Directory of affordable rental housing

Who Does VHFA Serve? (2025 chart)

County	% Area Median Income (AMI)			
	80%	100%	120%	150%
Addison	\$92,880	\$116,100	\$139,320	\$174,150
Bennington	\$87,440			
Caledonia	\$77,280			
Chittenden	\$104,320			
Essex	\$56,640			
Franklin	\$104,320			
Grand Isle	\$104,320			
Lamoille	\$78,560			
Orange	\$82,640			
Orleans	\$73,760			
Rutland	\$77,040			
Washington	\$88,320	\$110,400	\$132,480	\$165,600
Windham	\$77,280	\$96,600	\$115,920	\$144,900
Windsor	\$88,400	\$110,500	\$132,600	\$165,750

Weighted average of 80% AMI is \$90,200
30% of that, monthly is \$2,255 for housing costs

This is roughly where rentals are priced right now.

An “affordable” mortgage at that income would be \$316,300 – so a home priced \$350,000. Not many homes are selling for that price.

Who Does VHFA Serve? (2025 chart)

County	% Area Median Income (AMI)			
	80%	100%	120%	150%
Addison	\$92,880	\$116,100	\$139,320	\$174,150
Bennington	\$87,440	\$109,300	\$131,160	\$163,950
Caledonia	\$77,280	\$96,600	\$115,920	\$144,900
Chittenden	\$104,320	\$130,400	\$156,480	\$195,600
Essex	\$59,040	\$73,800	\$84,960	\$106,200
Franklin			\$156,480	\$195,600
Grand Isle			\$156,480	\$195,600
Lamoille			\$117,840	\$147,300
Orange			\$123,960	\$154,950
Orleans			\$110,640	\$138,300
Rutland			\$115,560	\$144,450
Washington	\$88,320	\$110,400	\$132,480	\$165,600
Windham	\$77,280	\$96,600	\$115,920	\$144,900
Windsor	\$88,400	\$110,500	\$132,600	\$165,750

Weighted average of 120% AMI is \$135,000. 30% of that, monthly is \$3,375 for housing costs

Not many rentals priced above that right now.

Who Does VHFA Serve?

- What do we do best?
 - Affordable housing – focusing on people paying 30% of income for housing
 - For renters: most earn under 80% AMI.
 - For owners: most earn under 120% AMI.
- Who is **not** served by VHFA?
 - Homes for those earning more than 150% AMI
 - This is <20% of Vermonters
 - Should not receive subsidy
 - What state support is appropriate?
 - VHFA focused mostly on majority of market.
 - Do not want to inflate the market << Real risk!

(What's Needed?)

