



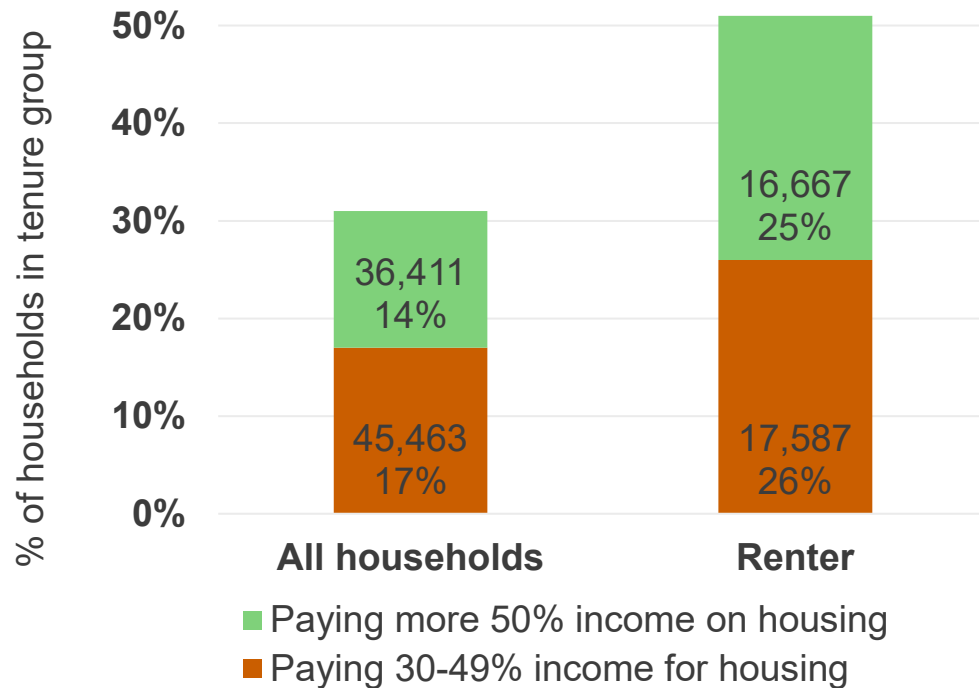
Vermont's Housing Needs and How the Vermont Housing Finance Agency is Meeting the Challenge

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Unaffordable to rent.... Unaffordable to buy

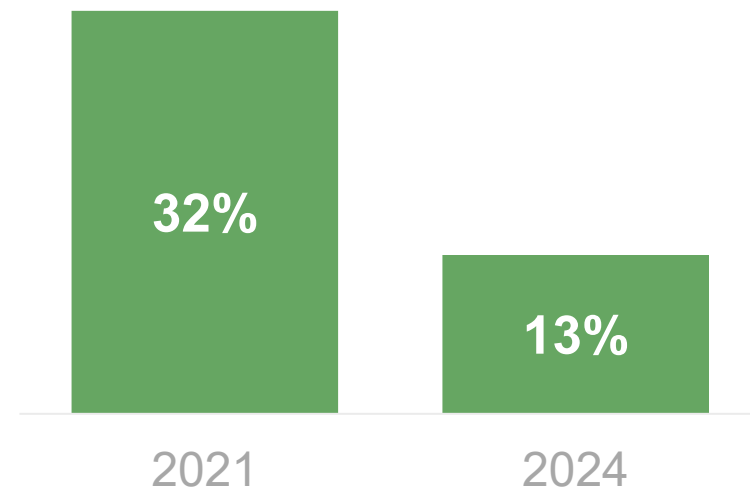


Renters are more likely to be cost burdened



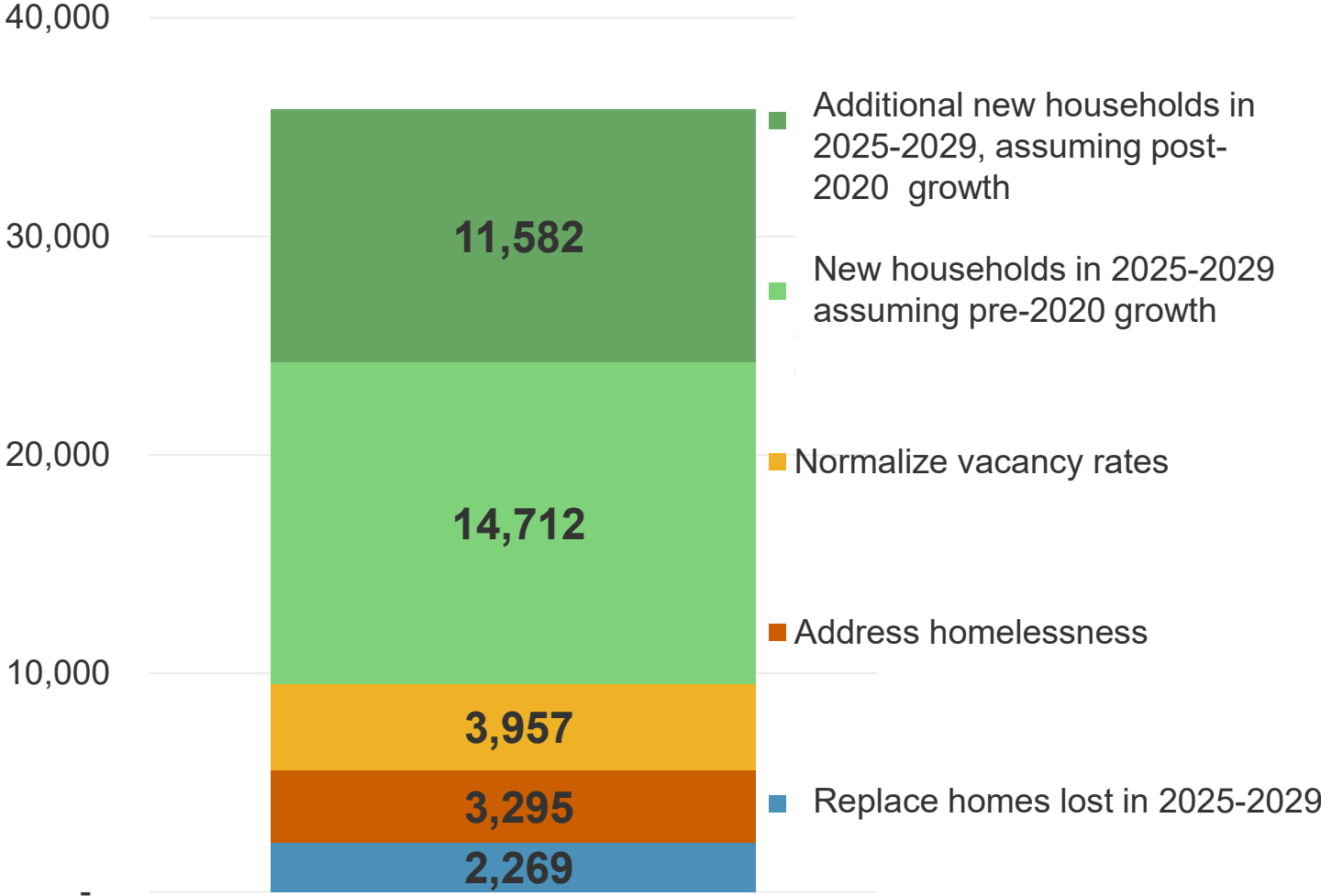
	2021	2024
Vermont median primary home price	\$259,900	\$340,000
Avg interest rate on 30-year mortgage, no points	3.11%	6.35%
Monthly mortgage payment	\$1,710	\$2,750
Income needed to afford	\$68,394	\$110,000
Renters with enough income to buy median home	24,500	9,320
Downpayment needed	\$51,980	\$68,000

Percentage of renters who can afford to buy median home

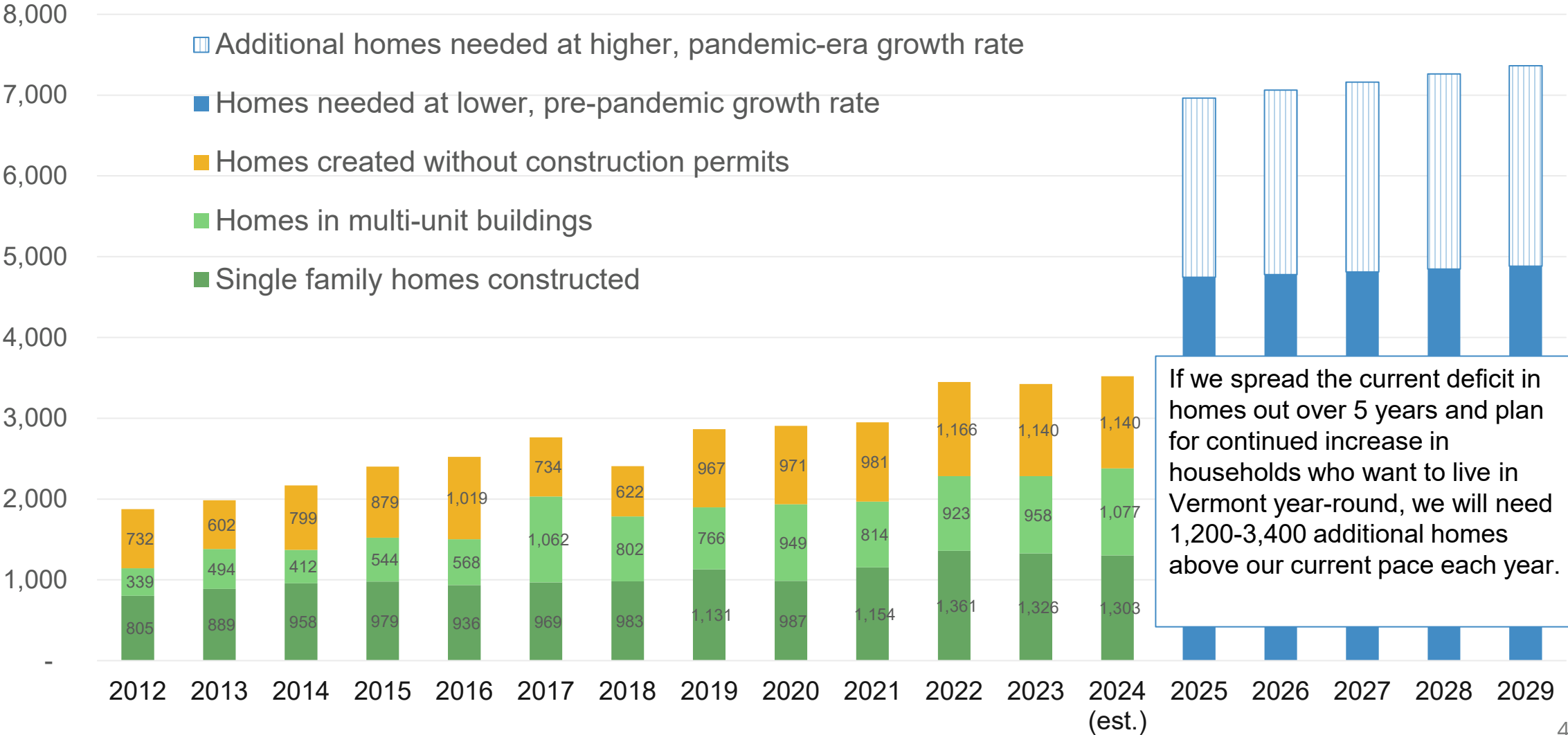


Source: U.S. Census Bureau, American Community Survey 5-year estimates 2018-2022

How many more homes are needed by 2029



Increase needed in pace of home building



Need many tools in the toolbox

Deeply Subsidized Housing \$534k / unit

93-100% of cost is subsidized. Little amortizing debt to keep rents low. Restrictive and costly sources of funding

Serve most policy goals – location; energy; homelessness; health care; brownfields; historic preservation; more

Rents affordable for < 60% AMI. (Avg tenant income: \$17,000)

Permanently affordable apartments

Middle-Income Homeownership Development \$130k / unit

~35% of cost is subsidized. Pays for appraisal gap & affordability gap

Policy goals: Adds modest for sale homes; 1/3 must be shared equity

Sales prices affordable to 91% AMI

Affordable to first seller. Future buyers get discount. Loan repayments build more homes.

Rental Revolving Loan Fund \$125k / unit

~35% of cost is subsidized. More amortizing debt requires higher rents. Fewer sources of funding

Policy goals: employers/muni \$; new/emerging developers; underserved & rural areas

Rents affordable for 65% - 150% AMI

Affordable for 10-33 years. Loan repayments build more homes

VT Housing Improvement Program \$44k / unit

25% of cost is subsidized. 75% comes from owner.

Policy goals: rehab poor quality apts; bring vacant units back; add ADUs

Rents affordable for 65% - 150% AMI

Affordable for 5-10 years.

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

VHFA's Role in Vermont



Benefits of borrowing from VHFA



Homebuyers

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

Rental Developers

- Lower interest rates
- If housing is affordable, VHFA loan could unlock federal tax credits that pay for 35% of the building
- 30- and 40-year financing
- More generous underwriting
- Some loans are subsidized

2024 VHFA homebuyers by the numbers

357 homebuyers used VHFA programs (68 government loans, 289 conventional)

\$82 million - total loans (\$17 million government, \$65 million conventional)

55% received Down Payment Assistance when using VHFA programs

90% - first time home buyers

95% - attended homebuyer education

\$78,102 - median VHFA homebuyer income

\$260,000 - median home price

\$229,904 - average loan amount



VHFA's 2025 Legislative Priorities



- Extend the State Housing Tax Credit sales for 5 more years to fund Down Payment Assistance Program
- Tweak the Rental Revolving Loan Fund statute to allow for VHFA to manage rent increases
- Continue & sustain funding for First Generation Homebuyer Grant program
- Extend sunset of group net metering for affordable housing until 2029
- Support PHP-replacement recommendations
- Support off-site manufactured housing next steps
- Support Housing and Homeless Alliance of Vermont's priorities
- Support Let's Build Homes' priorities