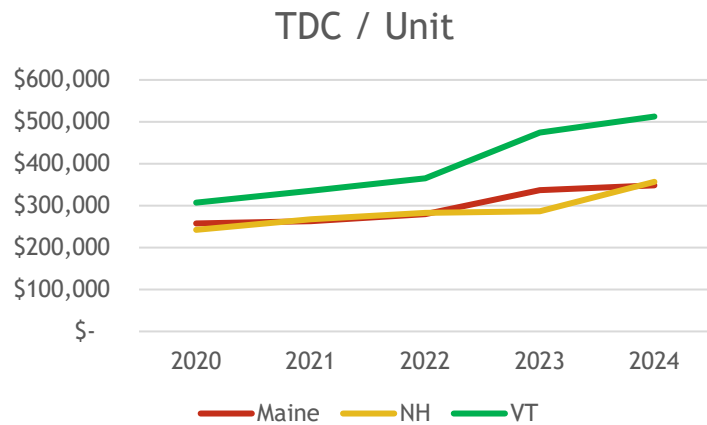


Development Cost Research and Conclusions

2.05.2025



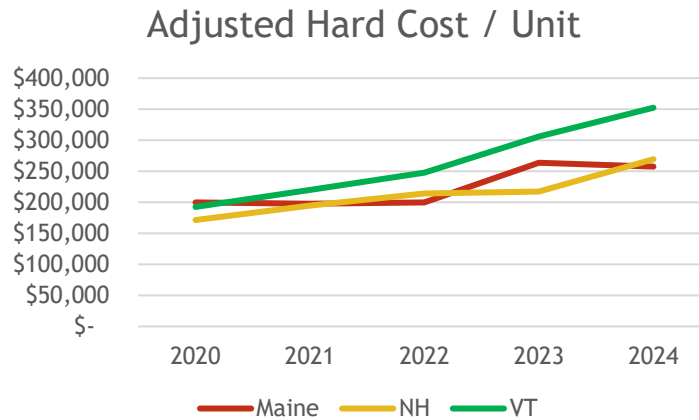
Maine, NH, VT - 9% LIHTC projects (2020 - 2024)*



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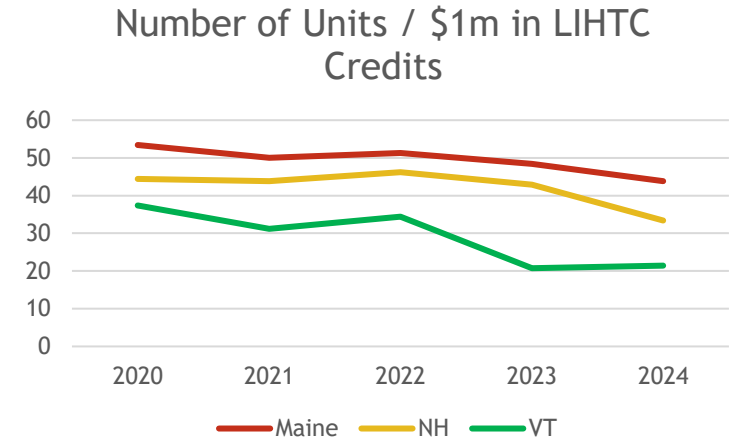
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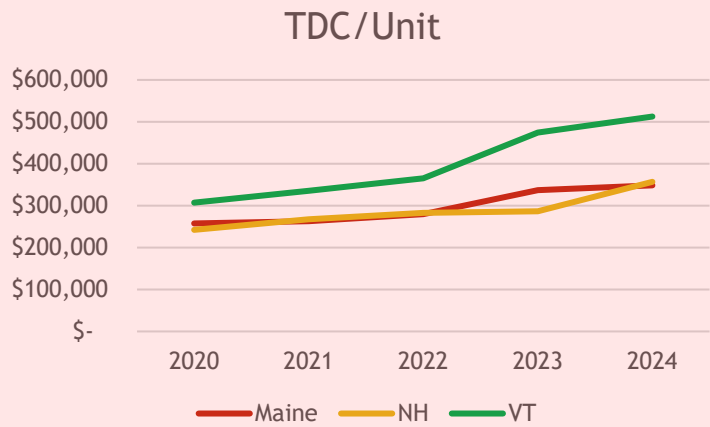


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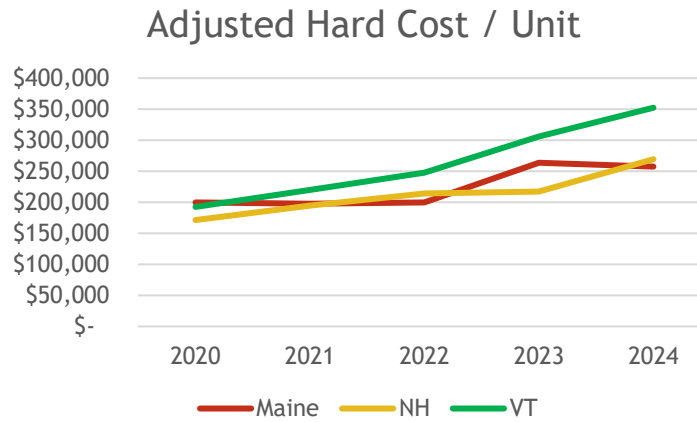
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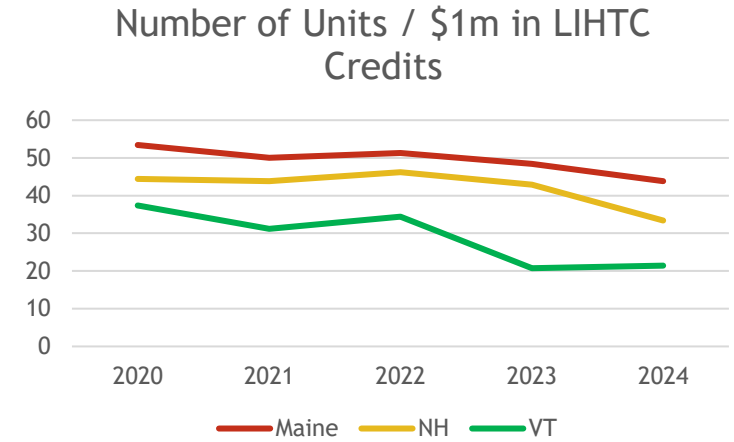
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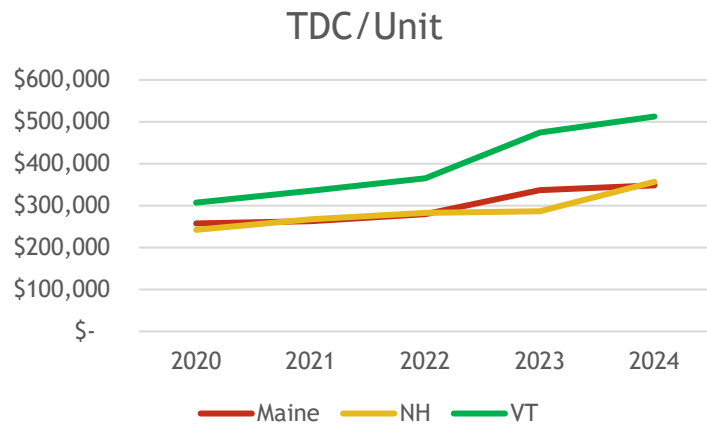


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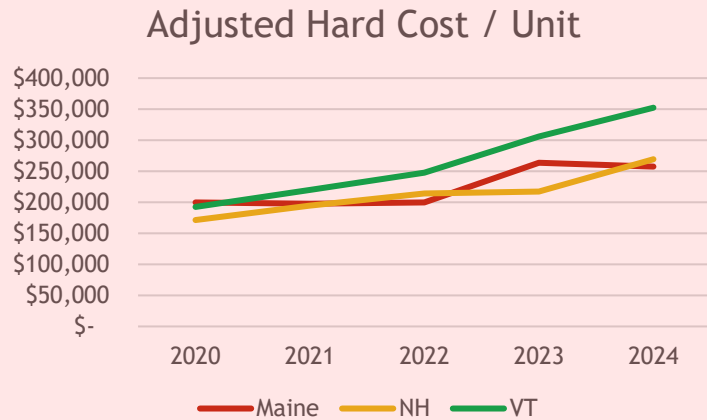
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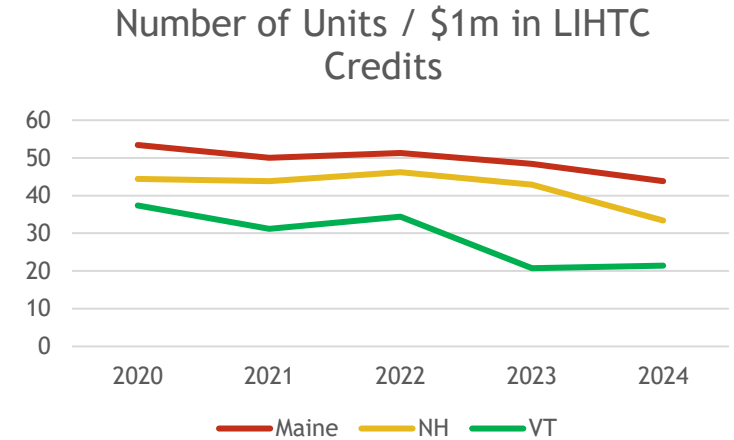
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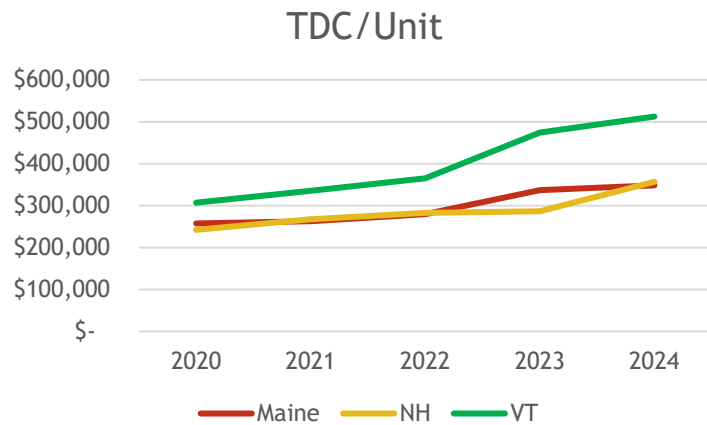


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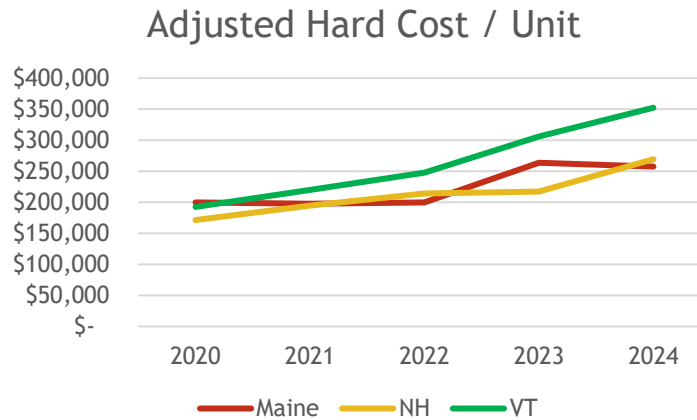
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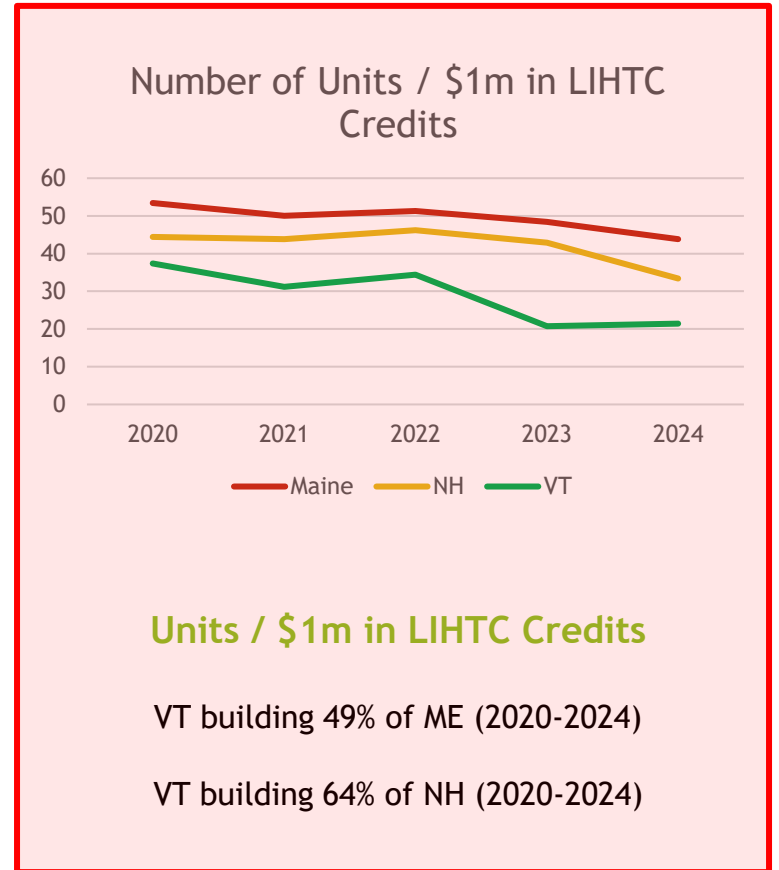
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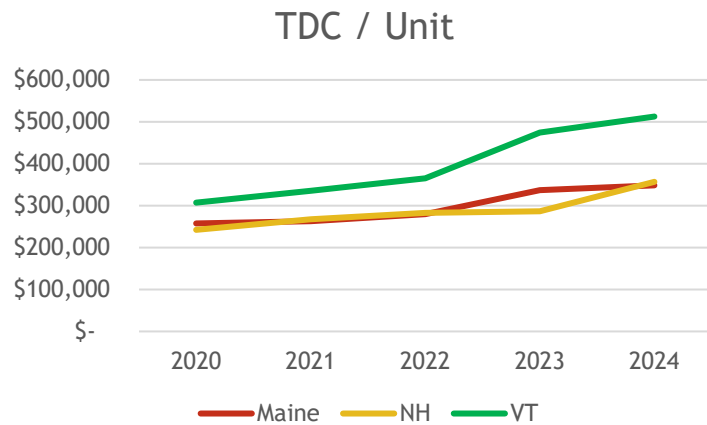


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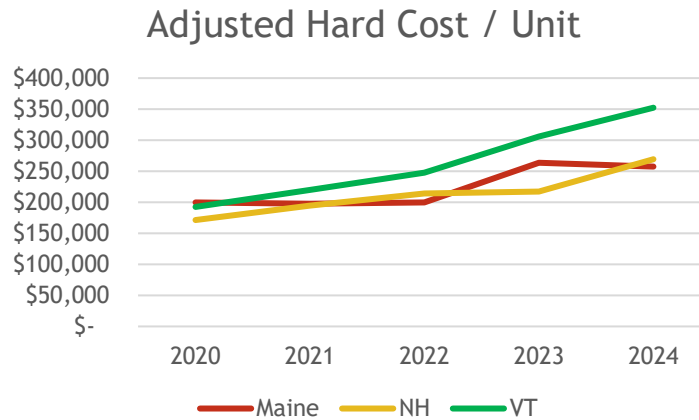
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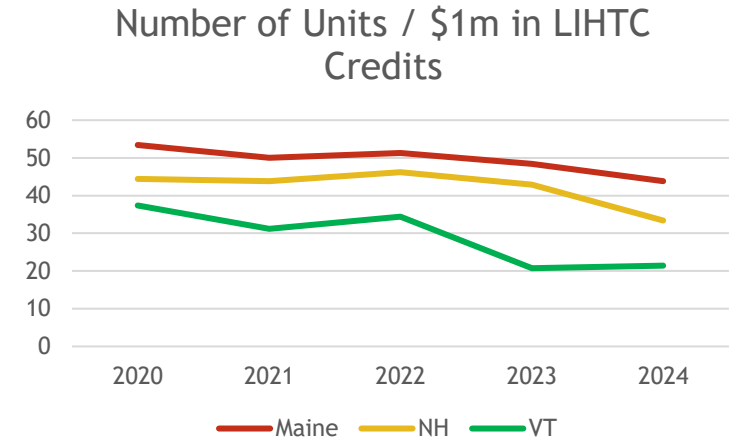
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Need many tools in the toolbox

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

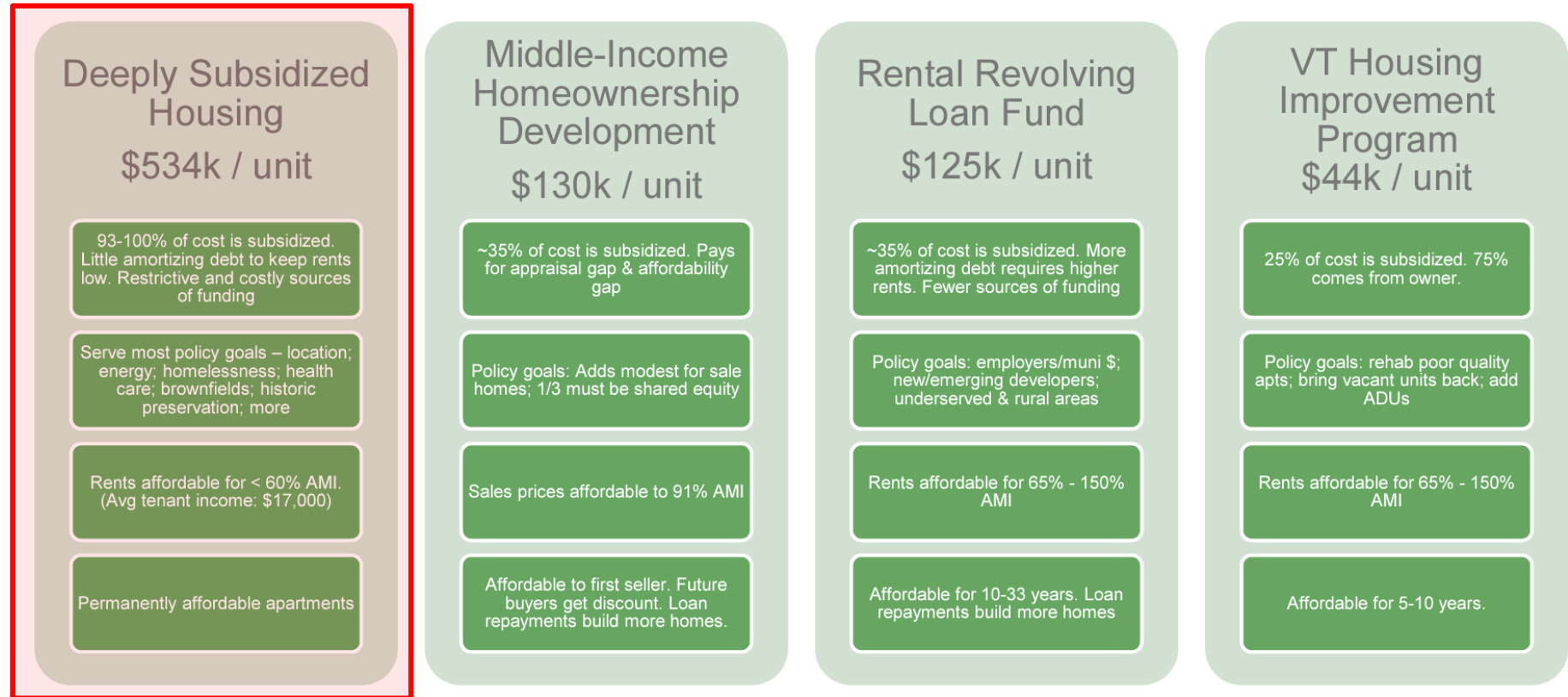
25% of cost is subsidized. 75% comes from owner.

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

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Affordable for 5-10 years.

Need many tools in the toolbox



Total Development Cost / Unit

Scarce Soft Source / Unit

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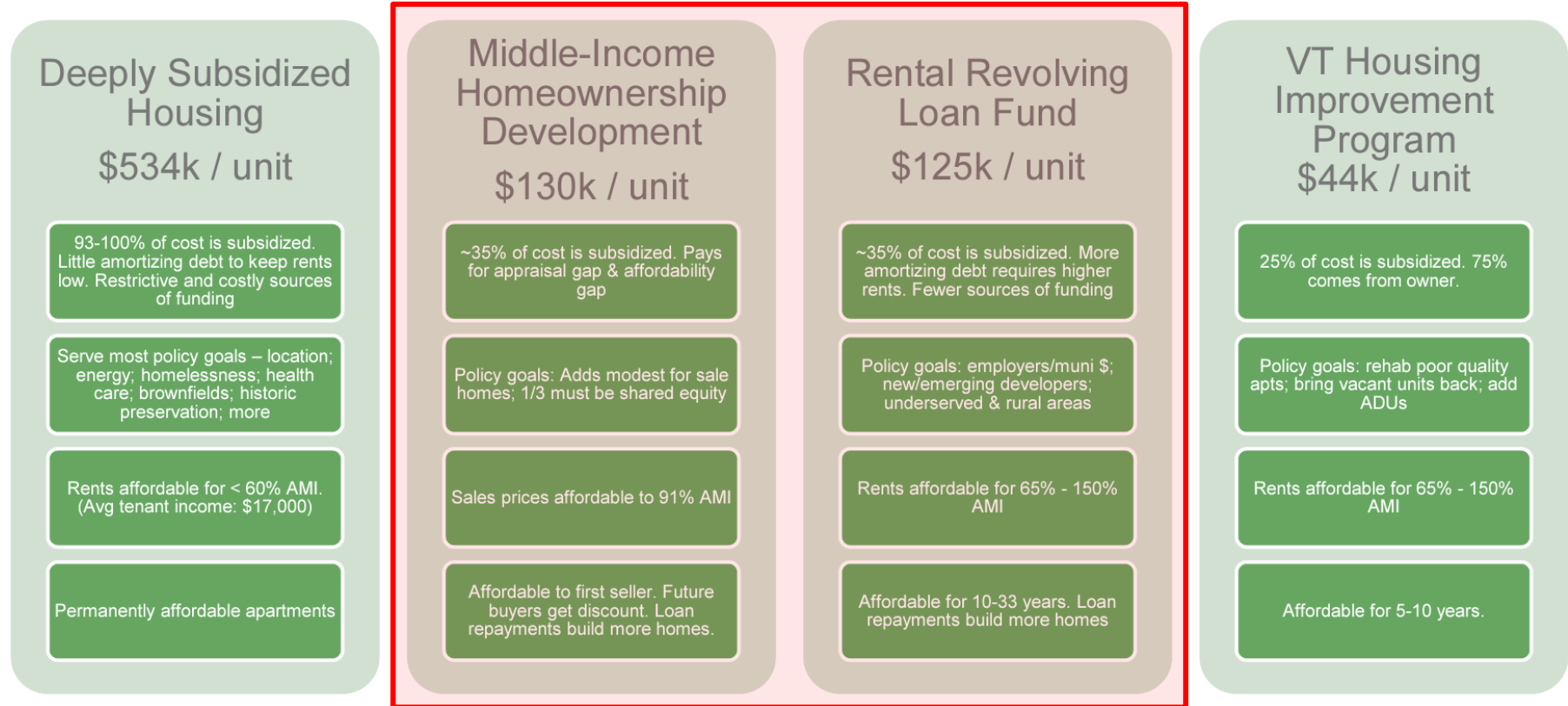
Total Development Cost / Unit

>\$500k / unit

Scarce Soft Source / Unit

>\$250k / unit

Need many tools in the toolbox



Total Development Cost / Unit

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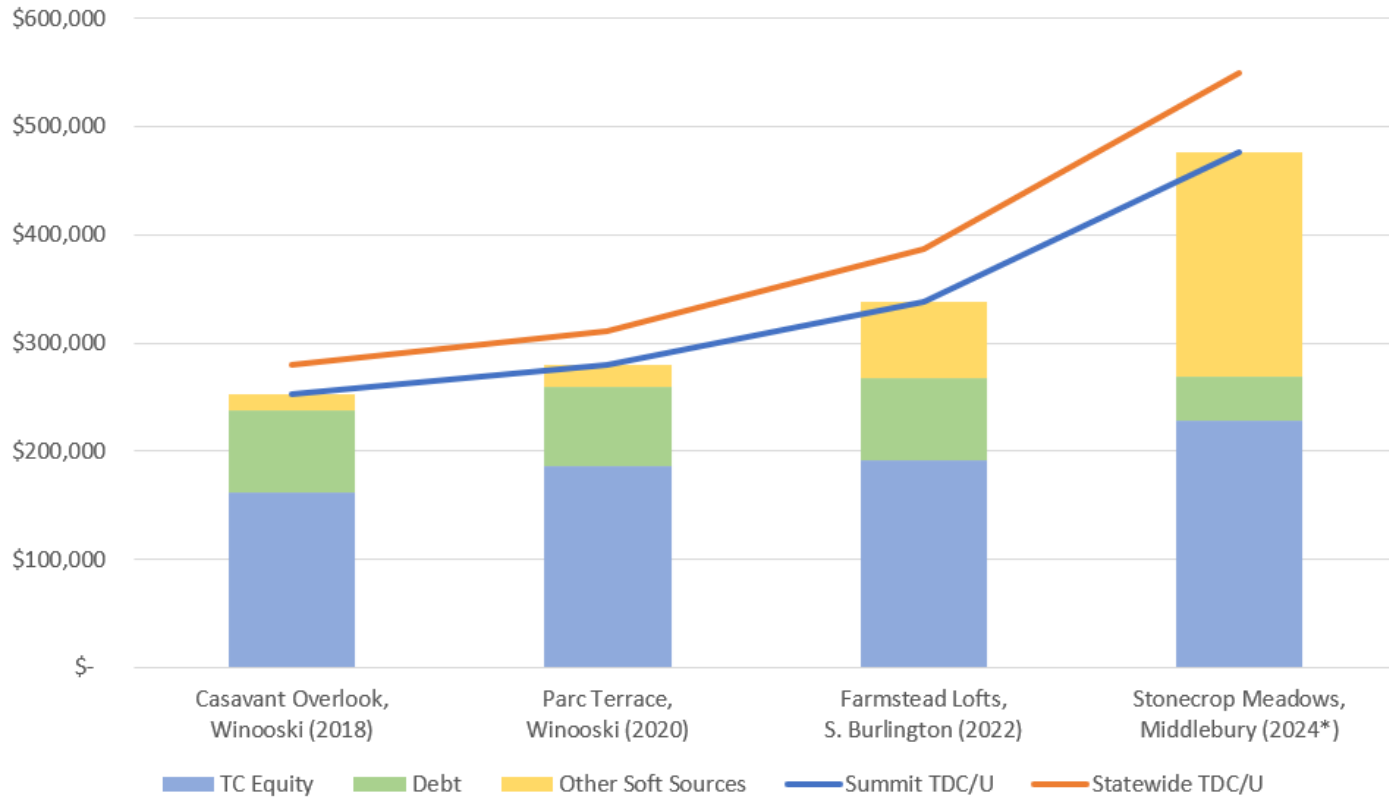
~\$400k / unit

Scarce Soft Source / Unit

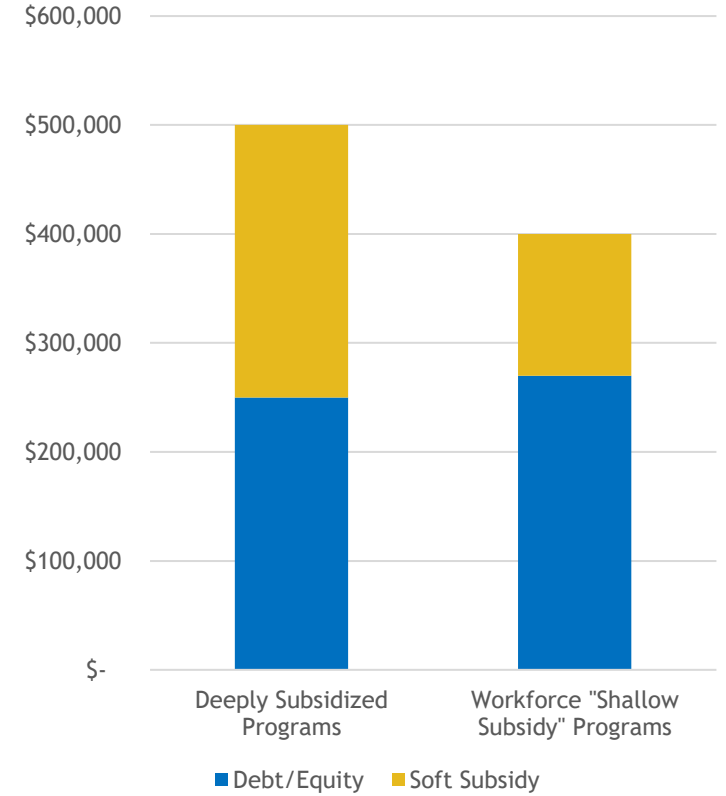
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LIHTC - Total Development Cost per Unit



LIHTC v. Workforce



Takeaways

- ✓ “Hold up the mirror” to understand how we build more units
 - ✓ Maximize (a more efficient...) LIHTC program
- ✓ Prioritize workforce housing projects (aka “Shallow Subsidy” / “Middle-Income”)