

# 2021 Vermont Housing Budget and Investment Report



# **2021 Vermont Housing Budget and Investment Report**

Vermont Department of Housing and Community Development  
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**Acknowledgments:** This report was developed by the Department of Housing and Community Development (DHCD), with input from the Vermont Agency of Human Services (AHS), Vermont Housing and Conservation Board (VHCB), Vermont Housing Finance Agency (VHFA), Vermont State Housing Authority (VSHA), and DHCD's Vermont Community Development Program

The Vermont Housing Council, which the departments or agencies listed above are also members of, was consulted in the preparation of this report. Established by Executive Order, the Vermont Housing Council coordinates and oversees implementation of the State's housing policy, evaluates housing services and initiatives, and serves as a resource to housing providers in their efforts to supply decent and affordable housing to Vermonters.

## I. Introduction

24 V.S.A. §4498, Housing Budget and Housing Investment Reports, directs the Commissioner of the Department of Housing and Community Development (DHCD) to:

**(1)** Create a **Vermont housing budget** designed to assure efficient expenditure of State funds appropriated for housing development, to encourage and enhance cooperation among housing organizations, to eliminate overlap and redundancy in housing development efforts, and to ensure appropriate geographic distribution of housing funds. The Vermont housing budget shall include any State funds of \$50,000.00 or more awarded or appropriated for housing. The Vermont housing budget and appropriation recommendations shall be submitted to the General Assembly annually on or before January 15. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the recommendations to be made under this subdivision, and the report shall include the amounts and purposes of funds appropriated for or awarded to the following:

- (A) The Vermont Housing and Conservation Trust Fund.
- (B) The Agency of Human Services.
- (C) The Agency of Commerce and Community Development.
- (D) Any other entity that fits the funding criteria.

**(2)** Annually, develop a **Vermont housing investment plan** in consultation with the Vermont Housing Council. The housing investment plan shall be consistent with the Vermont consolidated plan for housing, in order to coordinate the investment of State, federal and other resources, such as State appropriations, tax credits, rental assistance, and mortgage revenue bonds, to increase the availability and improve the quality of Vermont's housing stock. The housing investment plan shall be submitted to the General Assembly, annually on January 15. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the plan to be made under this subdivision, and the plan shall:

- (A) target investments at single-family housing, mobile homes, multi-family housing, and housing for homeless persons and people with special needs;
- (B) recommend approaches that maximize the use of available State and federal resources;
- (C) identify areas of the state that face the greatest housing shortages; and
- (D) recommend strategies to improve coordination among State, local, and regional offices in order to remedy identified housing shortages.

This report includes:

- ✓ The Vermont Housing Budget: State and federal funds exceeding \$50,000 awarded or appropriated for housing development in 2021, and combined State and federal funds for housing development, housing assistance and subsidies.
- ✓ The Vermont Housing Investment plan which considers areas of the state that face the greatest housing shortages and describes planned investments in single-family housing, mobile homes, multi-family housing, housing for homeless persons, and housing for persons with special needs.

- ✓ Recommendations for approaches that maximize the use of available State and federal resources and strategies to improve coordination among State, local and regional housing providers to address identified housing shortages; and
- ✓ Organizational chart of state housing agencies in Vermont.

The DHCD is committed to having a lead role in coordinating housing policy in the state, which is accomplished primarily through the Vermont Housing Council and the development of the HUD Consolidated Plan. While DHCD has direct administrative oversight of some funding programs that have housing components, such as the Community Development Block Grant program (CDBG), its role in directing other sources of housing funding is limited by statute and federal regulations and relies on its strong working relationships with the other housing organizations in the state to assure the efficient expenditure of State and federal funds provided for affordable housing.

### The Vermont Housing Council

The Vermont Housing Council<sup>1</sup> was originally established by Executive Order in 1995 to coordinate and oversee implementation of the State's housing policy, to evaluate housing services and initiatives, and to be a resource to housing providers in their efforts to supply decent and affordable housing for Vermonters. The current membership of the Housing Council was established in Executive Order 08-11.

DHCD provides staff support and facilitates the Housing Council's bi-monthly meetings.

The standing members of the Housing Council are:

The Department of Housing and Community Development; Vermont State Housing Authority; Vermont Housing Finance Agency; Vermont Housing and Conservation Board; Agency of Human Services; Vermont Association of Public Housing Directors; USDA Rural Development; U.S. Department of Housing and Urban Development (HUD); Fire Safety Division of the Department of Public Safety; and the Division for Historic Preservation. In addition, the Governor appoints representatives of a statewide non-profit housing developer, a regional non-profit housing provider, a private sector housing provider, and a low-income advocate for two-year terms.

## II. Vermont Housing Budget

Typically, the vast majority of Vermont's housing budget comes from federal resources, including rental assistance programs, and private equity from housing tax credits. State funding for housing helps secure these federal resources and direct them to Vermont needs and priorities. In 2021, State funds supported \$37.3 million of the combined total of \$162 million of funding (Table III and IV) for affordable housing in Vermont. Appropriations of the State's property transfer tax revenue, general funds, capital funds, and equity from State housing tax credits supported \$22.2 million of the \$69.2 million used for housing development (Table III).

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<sup>1</sup> [http://governor.vermont.gov/boards\\_and\\_commissions/housing](http://governor.vermont.gov/boards_and_commissions/housing)

This report does not include the federal COVID-19 housing assistance funds that were awarded to Vermont in 2020 or 2021. Due to the extraordinary nature of the COVID-19 emergency those funds were awarded on an emergency basis for a temporary period of time, and include agencies and programs not usually included in this report which DHCD did not have the ability to collect in time for this report. Including funds not normally included or tracked would also make this report less useful as a comparison of the State's "normal" stream of housing funding from year to year. In addition, it is unclear if a comprehensive list of all COVID-19 relief and recovery funds dedicated to housing has been compiled and vetted at this time.

These resources reside primarily in five agencies: The Department of Housing and Community Development (DHCD) of the Agency of Commerce and Community Development, the Vermont Housing and Conservation Board (VHCB), the Agency of Human Services (AHS), the Vermont Housing Finance Agency (VHFA) and the Vermont State Housing Authority (VSHA). In addition to these statewide organizations, affordable housing projects and services in Vermont are largely provided by a decentralized group of local, regional, and state affordable housing developers and non-profit community-based organizations that cover the entire state.

As shown in Table III on page 11, combined State and federal funding and private equity for affordable housing development administered by VHCB, DHCD, and VHFA totaled approximately \$69.2 million. Tax credit equity of \$38.1 million, leveraged by approximately \$4.7 million in federal and State Housing Tax Credits, provided more than half of this amount.

As shown on Table IV on page 12, combined State and federal funding for housing assistance and subsidies, and support services that help people stay housed, totaled \$92.8 million. More than two-thirds of this coming from \$66.8 million of federal project and tenant-based rental assistance through VSHA (Section 8). State general funds provided another \$15.1 million supporting programs through AHS.

State funding for housing development agencies totaled approximately \$19.7 million. This primarily consisted of property transfer tax revenue, one-time general funds, and capital bill funds appropriated to VHCB, plus \$1,075,000 in State housing tax credits. (Table I on page 9) Federal funding for housing development agencies totaled approximately \$14.5 million awarded to VHCB and DHCD. (Table II on page 10)

The largest source of funding for affordable rental housing projects comes from federal Low-Income Housing Tax Credits administered by VHFA in accordance with the State's Qualified Allocation Plan (QAP). Vermont's allocation of federal credits in 2020 was \$3.22 million, generating approximately \$28 million in equity. In addition, VHFA awarded another \$427,368 in "bond credits" which are issued in conjunction with VHFA tax-exempt bonds, which generated approximately \$3.8 million in private equity. (Table III on page 11)

### Federal Funding for Housing Development

Tax credit equity of \$33.1 million generated by the federal Low-Income Housing Tax Credits (described above) is the largest source of funds for housing development supported by federal dollars. Other federal resources brought to projects include the Department of Housing and Urban Development (HUD) Home Investment Partnership Program (HOME) and National

Housing Trust Fund which are administered by VHCB, and the Community Development Block Grant (CDBG) administered by DHCD's Vermont Community Development Program (VCDP). Together, these totaled approximately \$13.4 million. (Table II on page 10)

Grants of CDBG funds are available to all municipalities in the state except Burlington. Burlington is Vermont's only "Entitlement Community" and receives CDBG and HOME funds directly from HUD. In FY 2021, the City of Burlington was awarded \$770,962 in CDBG and \$414,413 in HOME funding.

Other federal resources which are targeted to specific housing types include HUD 202 (housing for the elderly), Rural Development 515 (multi-family rental housing production), HUD's Lead-Based Paint Hazard Control (LHC), Emergency Solutions Grant (ESG) and HOPWA (Housing Opportunities for Persons with AIDS) grant programs. Another resource in many affordable housing projects is the Federal Home Loan Bank of Boston's Affordable Housing Program. Funding levels for these programs has varied substantially in recent years.

### State Funding for Housing Development

The primary State resource for housing development comes from a portion of the property transfer tax which by statute<sup>2</sup> is dedicated to VHCB. In FY 2021, VHCB received \$8.5 million in dedicated funds to support housing development from the property transfer tax and the capital bill. It was also appropriated an additional \$10 million of state general funds. This is the only direct and ongoing State funding that supports the costs of building affordable housing units. (Table I on page 9)

Act 85 of 2017 created a new source of funding for affordable housing in Vermont – the Housing for All Revenue Bond (HRB) – which was issued by VHFA and administered by VHCB. VHCB awarded \$37 million in HRB proceeds in the form of grants and loans over three years. (The Act directs the first \$2.5 million of the state's property transfer tax revenue, annually for twenty years, for debt payment on bonds. \$1.5 million of this amount is offset by a reduction in VHCB's property transfer tax appropriations.) The bond proceeds were used by VHCB to fund the development and rehabilitation of owner-occupied and rental housing for Vermonters with very low to middle incomes.

By the end of FY2021, VHCB had awarded the \$37 million in HRB funds to 34 housing developments with 843 homes, and 60 home accessibility projects and 5 Habitat for Humanity homes statewide. It exceeded initial production goals and the overall investment leveraged nearly \$200 million in other public and private funding. The Housing for All initiative resulted in middle-income homes as well as those for vulnerable households in 23 towns and 11 counties.

In FY 2020, the federal Low-Income Housing Tax Credits were supplemented with an allocation of \$1,075,000 of 5-year state Housing Tax Credits which generated a total of approximately \$5 million in equity. Of these state Housing Tax Credits, VHFA used \$400,000, generating approximately \$1.8 million in private equity, to support loans for multi-family housing projects in conjunction with the allocation of federal Housing Tax Credits.

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<sup>2</sup> <https://legislature.vermont.gov/statutes/section/10/015/00312>

VHFA used the other \$675,000, generating \$3.2 million in private equity, to support funding programs for homeownership opportunities supporting mobile home replacements, down payment assistance for new and rehabilitated homes, and to eligible first-time homebuyers (Table III on page 11). This includes an increase of \$250,000 provided by Act 51 of 2015 for VHFA's Down Payment Assistance Program for first-time home buyers for a period of seven years (State Fiscal Years 2020 - 2026), and CHT's Mobile Home Down Payment Assistance Program, which provides zero percent deferred second mortgages to purchase new energy efficient manufactured homes, which may be in mobile home parks or on owned land.

Two programs administered by DHCD that offer less direct funding for affordable housing are the Charitable Housing Investment Tax Credit and the Downtown and Village Center tax credit for historic façade and code improvements, which is frequently used for upper floor housing. DHCD also administers the federal Historic Tax Credit, which can be a sizable source of funding for some multi-family affordable housing projects in historically significance properties.

#### Federal Funding for Housing Assistance

VSHA administered almost \$66.8 million of project and tenant-based rental assistance throughout the state. This diverse program includes the Section 8 Housing Choice Voucher program with an assortment of incentives and housing alternatives such as Family Self-Sufficiency, Homeownership, Family Unification, Mainstream Housing Opportunities, Veterans Affairs Supportive Housing and Project-Based Initiatives.

VSHA also administers a Section 8 Moderate Rehabilitation program, the rental assistance component of a Housing Opportunities for Persons with Aids (HOPWA) grant provided to VHCB, and the Housing Subsidy and Care program for the Vermont Department of Health. VSHA, in conjunction with VHFA, is HUD's Contract Administrator on project-based Section 8 units constructed or rehabilitated by private developers and/or non-profits and is the state's largest administrator of Continuum of Care Homeless funds.

Many affordable housing developments have at least some federally funded rental assistance either through the USDA's Rural Rental Assistance program or HUD Section 8 contracts administered by VSHA. The rental assistance allows families to pay approximately 30% of their income toward the rent. USDA's Rural Rental Assistance program provides an additional source of support for families in Rural Rental Housing (Section 515) or Farm Labor Housing (Section 514) projects.

#### State Funding for Housing Assistance

Approximately \$15 million in State General Fund dollars and \$8.6 million in Medicaid funds supported programs of the departments of AHS to assist in supporting their clients' housing needs. The largest of these include Temporary Housing/General and Emergency Assistance, Corrections Transitional Housing, the Support and Services at Home (SASH) Program, and Housing Opportunity Program (HOP) grants.

AHS's programs serve the lowest income, most vulnerable Vermonters. Should these families and individuals not be able to access housing in their community that is affordable to them, the alternative in many cases would be institutionalization or homelessness. The avoided costs of those alternatives are substantial. AHS' [The Value of Stable Housing](#) report (2015) documented reductions in emergency service and health care utilization and expenditure among formerly homeless families who received a state-funded rental subsidy.

## Cooperation among Housing Organizations

The statewide housing agencies play unique and well-defined roles in the production, rehabilitation, financing, and subsidy of housing for a broad spectrum of low- and moderate-income Vermonters. These agencies work together with federal housing agencies including HUD and USDA Rural Development, and with departments of Vermont's AHS, to create a delivery system that leverages federal dollars available to Vermont and ensures that State and federal resources are used efficiently and effectively.

In response to the COVID-19 public health emergency, the housing agencies (AHS/DCF, VHCB, VSHA, VHFA, and DHCD) established a Housing Recovery Working Group to coordinate the strategic use of housing resources to help keep people safe during the pandemic and help Vermonters and their communities recover.

Coordination among the statewide housing agencies is enhanced by cross membership on boards and committees: The DHCD Commissioner sits on the board of VHFA as the designee for the Secretary of ACCD, and the Executive Directors of VHFA and VHCB sit on each other's boards. The Secretary of AHS is a member of VHCB. In addition, VHFA, VHCB, AHS, and VSHA are represented on DHCD's Consolidated Plan Advisory Board, and the Executive Director of VHFA is also currently an appointed member of the Vermont Community Development Board.

In addition, the statewide housing agencies, along with a representative of the Governor's office, comprise the Joint Committee on Tax Credits which makes recommendations to the VHFA Board on the Qualified Allocation Plan (QAP). The VHFA Board considers the recommendations and then forwards the QAP to the Governor for their adoption.

The agencies also comprise, along with representatives of USDA Rural Development and HUD, the Vermont Preservation Council which serves as a clearinghouse for preservation related policy work and developing solutions for troubled projects. This ensures non-duplication of effort, effective communication, multiple perspectives in policy decisions and consistency in priorities across the State's housing agencies.

To streamline the application process, DHCD, VHFA, and VHCB, developed and use a common application for housing funds and share common underwriting guidelines and coordinate inspections. The common application can be accessed by all three agencies ensuring that they have consistent information which helps to coordinate and expedite the application review.

Since most housing projects being developed use multiple funding sources, project developers are strongly encouraged to schedule a site visit and meeting with all the potential funders as early as possible in the project development. These “all players” project meetings allow for the project developer(s) to hear the myriad of questions/issues from the funding agencies at one time and provide critical information regarding the timing and readiness of a project.

## Geographic Distribution

As stated in Vermont’s HUD [Consolidated Plan](#) and the QAP, geographic distribution is a consideration, but with the exception of AHS targeting funding for new emergency shelters, supportive housing and transitional housing programs, the State has not targeted its housing resources based on location to any specific area(s). Rather, projects are prioritized based demonstrated need. For housing projects to receive funding the developer must be able to demonstrate with a market study that the project meets local or regional housing needs to help ensure that projects are located appropriately.

In preparation for the 2020-2024 Consolidated Plan, DHCD contracted with the Vermont Housing Finance Agency (VHFA) to conduct a statewide [Housing Needs Assessment](#) (HNA) including county level data.<sup>3</sup> VHFA’s assessment was used in the development of the Consolidated Plan and as a resource to help distribute funding where it is needed most.

Although VHFA’s assessment identified a significant need for housing throughout Vermont, the county level reports have been a valuable tool for policy makers as well as affordable housing developers and funders in determining where the greatest needs are within the state supplementing the specific market studies for each project.

To give policy makers ready access to the latest data at the town, county, and state level, VHFA operates and maintains Community Profiles on the Vermont Housing Data<sup>4</sup> website. The profiles show the most recent data pertaining to the relative needs for housing assistance by resident age group, income, geographic location, and housing type.

The Housing Need Assessment continued to identify a lack of available affordable housing throughout VT. However, it clearly identifies an abundance of available housing stock in poor condition in many regions of the state. With over 19,000 units of substandard, poor quality housing identified in the Housing Needs Assessment, strategies to address this issue should be undertaken. In addition, VHFA, DHCD and VHCB recently conducted an Affordable Housing Development Cost Study. Recommendation from that study should be pursued, as VT has seen a faster rise in affordable housing development costs when compared to our New England Region. Recommendations include increasing competition in the Affordable Housing Development Community, coordinating and reducing the timing between funding decisions and rewarding developers that reduce costs or reduce utilization of scarce public resources.

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<sup>3</sup> Vermont Housing Finance Agency “Vermont Housing Needs Assessment: 2020-2024”. February 2020 <http://accd.vermont.gov/housing/plans-data-rules/needs-assessment>

<sup>4</sup> <http://www.housingdata.org/>

## Housing Budget Tables

The tables on the following pages make up the “Housing Budget” for 2021:

TABLE I:	State Funding for Housing Agencies for Development
TABLE II:	Federal Funding for Housing Agencies for Development
TABLE III:	State and Federal Funds and Private Equity for Housing Development
TABLE IV:	State and Federal Funds for Housing Assistance and Subsidies

TABLE I: State Funding for Housing Agencies for Development

<b>2021 State Funding for Housing Agencies for Housing Development</b>				
<b>SOURCES</b>	<b>VHCB</b>	<b>VHFA</b>	<b>DHCD</b>	<b>TOTALS</b>
State Appropriation of Property Transfer Tax and Capital Bill Funds	\$8,454,421			\$8,454,421
Housing Relief Funds (Gen Fund)	\$10,000,000			\$10,000,000
Loan Repayments	\$105,411			\$105,411
Interest on Fund	\$25,404			\$25,404
State Housing Tax Credits		\$1,075,000		\$1,075,000
State General Funds			\$97,946	\$97,946
<b>TOTAL SOURCES</b>	<b>\$18,585,236</b>	<b>\$1,075,000</b>	<b>\$97,946</b>	<b>\$19,758,181</b>
<b>USES</b>				
Operations*	\$1,332,888		\$97,946	\$1,430,833
Grants / Loans - State Appropriation**	\$7,252,348			\$7,252,348
Grants/Loans - Housing Relief Funds	\$10,000,000			\$10,000,000
Multi-family rental housing		\$400,000		\$400,000
Down payment assistance for new homes and mobile home replacements		\$425,000		\$425,000
Down payment assistance for first-time home buyers		\$250,000		\$250,000
<b>TOTAL USES</b>	<b>\$18,585,236</b>	<b>\$1,075,000</b>	<b>\$97,946</b>	<b>\$19,758,181</b>
*VHCB is housing portion only, DHCD is based on 50% of VCDP operating expenses				
**Amount available for development, see Sources on Table III				

TABLE II: Federal Funding for Housing Agencies for Development

<b>2021 Federal Funding for Housing Agencies for Housing Development</b>			
<b>SOURCES</b>	<b>VHCB</b>	<b>DHCD</b>	<b>TOTALS</b>
HOME Program	\$2,955,000		\$2,955,000
HUD Lead Paint Program / Healthy Homes	\$1,142,857		\$1,142,857
National Housing Trust Fund	\$3,000,000		\$3,000,000
CDBG - RHP (included in CDBG)			\$0
CDBG		\$7,385,430	\$7,385,430
<b>TOTAL SOURCES</b>	<b>\$7,097,857</b>	<b>\$7,385,430</b>	<b>\$14,483,287</b>
<b>USES</b>			
Operations*	\$646,106	\$41,765	\$687,871
Grants/Loans/Direct Program**	\$6,451,751	\$7,343,665	\$13,795,416
<b>TOTAL USES</b>	<b>\$7,097,857</b>	<b>\$7,385,430</b>	<b>\$14,483,287</b>
*VHCB is housing portion only, DHCD is based on 50% of VCDP operating expenses			
**Amount available for development,see Sources on Table III			

TABLE III: State and Federal Funds and Private Equity for Housing Development

<b>2021 State and Federal Funds and Private Equity Combined for Housing Development (Amounts Do Not Include Administrative Overhead / Operations)</b>				
<b>SOURCES</b>	<b>VERMONT HOUSING AND CONSERVATION BOARD</b>	<b>DEPT OF HOUSING AND COMMUNITY DEVELOPMENT</b>	<b>VERMONT HOUSING FINANCE AGENCY</b>	<b>TOTALS</b>
State Appropriation	\$7,252,348			\$7,252,348
Housing Relief Funds (Gen Fund)	\$10,000,000			\$10,000,000
Federal Housing Program Revenue	\$6,451,751	\$7,343,665		\$13,795,416
Private Equity Generated by Federal Housing Credit*			\$26,212,726	\$26,212,726
Private Equity Generated by Federal Bond Credit**			\$6,925,659	\$6,925,659
Private Equity Generated by State Housing Tax Credit***			\$5,022,500	\$5,022,500
<b>TOTAL SOURCES</b>	<b>\$23,704,099</b>	<b>\$7,343,665</b>	<b>\$38,160,885</b>	<b>\$69,208,649</b>
<b>USES</b>				
Multi-family Rental Housing using Equity from State Housing Tax Credit			\$1,816,250	\$1,816,250
Down Payments for New Energy Efficient Manufactured Homes using Equity from State Housing Tax Credit			\$950,000	\$950,000
Down Payment Assistance for New Homes using Equity from State Housing Tax Credit			\$1,068,750	\$1,068,750
Down Payment Assistance for First Time Homeowners using Equity from State Housing Tax Credit			\$1,187,500	\$1,187,500
Programs providing grants/loans for affordable housing development projects	\$23,704,099	\$7,343,665	\$33,138,385	\$64,186,149
<b>TOTAL USES</b>	<b>\$23,704,099</b>	<b>\$7,343,665</b>	<b>\$38,160,885</b>	<b>\$69,208,649</b>
*Estimated based on 2021 allocation of \$3,012,957 in federal 10-year credits and an average of prices paid by investors in recent years.				
**Estimated based on \$788,204 in federal 10-year bond credits provided in 2021 and average prices paid by investors in recent years.				
***Estimated based on 2021 allocation of \$1,075,000 in state 5-year credits and an average of prices paid by investors in recent years.				

TABLE IV: State and Federal Funds for Housing Assistance and Subsidies

<b>2021 State and Federal Funds Combined for Housing Assistance/Subsidies</b>				
<b>SOURCES</b>	<b>AGENCY OF HUMAN SERVICES</b>	<b>VERMONT STATE HOUSING AUTHORITY</b>	<b>VERMONT HOUSING AND CONSERVATION BOARD</b>	<b>TOTALS</b>
State of Vermont General Fund	\$ 15,095,818			\$ 15,095,818
Federal Funds	\$ 1,574,943			\$ 1,574,943
Medicaid	\$ 8,581,349			\$ 8,581,349
Federal Rental Assistance Program ( <b>Project Based</b> )		\$ 30,478,630		\$ 30,478,630
Federal Rental Assistance Program ( <b>Tenant Based</b> )		\$ 36,409,229		\$ 36,409,229
Federal HOPWA Program	\$ 200,000		\$ 478,000	\$ 678,000
<b>TOTAL SOURCES</b>	<b>\$ 25,452,111</b>	<b>\$ 66,887,859</b>	<b>\$ 478,000</b>	<b>\$ 92,817,970</b>
<b>USES</b>				
Programs providing housing assistance to individuals and rental assistance/supportive housing		\$ 66,887,859	\$ 478,000	\$ 67,365,859
VT Rental Subsidy Program	\$ 524,036			\$ 524,036
Harbor Place	\$ 432,526			\$ 432,526
Reach-Up Housing	\$ 413,555			\$ 413,555
Housing and Opportunity Program (HOP)	\$ 3,536,483			\$ 3,536,483
General Assistance Community Investments	\$ 2,279,121			\$ 2,279,121
Family Supportive Housing	\$ 628,488			\$ 628,488
Correction Transitional	\$ 5,946,803			\$ 5,946,803
Housing Assistance for HIV/AIDS *	\$ 200,000			\$ 200,000
ADAP Transitional - Sober Housing*	\$ 749,991			\$ 749,991
Youth Housing Development Program Housing Subsidies	\$ 137,500			\$ 137,500
Temporary Housing/General Assistance/Emergency	\$ 3,349,908			\$ 3,349,908
Homeshare	\$ 327,163			\$ 327,163
Support and Services at Home (SASH)	\$ 974,023			\$ 974,023
CRT Housing Support Fund	\$ 1,541,594			\$ 1,541,594
DMH Housing Subsidy and Care	\$ 1,040,000			\$ 1,040,000
Homeless outreach for severely mentally ill (PATH)	\$ 437,295			\$ 437,295
Housing First	\$ 2,933,625			\$ 2,933,625
<b>TOTAL USES</b>	<b>\$ 25,452,111</b>	<b>\$ 66,887,859</b>	<b>\$ 478,000</b>	<b>\$ 92,817,970</b>

### III. Housing Investment Plan

#### Consolidated Plan Funding

The delivery of funding for affordable housing in Vermont is directed by the HUD Consolidated Plan for Housing & Community Development. The Consolidated Plan covers a period of five years and is updated annually by DHCD with input from the Consolidated Plan Advisory Board which represents a broad spectrum of the housing, economic development, and human service communities. The State's current five-year Consolidated Plan covers program years 2020-2024.

The housing needs outlined in the plan were based on Vermont Housing Finance Agency's Housing Needs Assessment, community outreach meetings, and a comprehensive and widely distributed survey. For many years Consolidated Plan priorities have closely mirrored the priorities set in state statute for VHCB for spending Trust Fund dollars on affordable housing developments and VHFA for allocating the federal and State Housing Tax Credits.

Vermont's Consolidated Plan guides the investment of approximately \$11 million the State receives from HUD annually for three grant programs: CDBG, HOME, and ESG. This money leverages substantially greater amounts in public and private funds. In recent years, the priority for Vermont's plan has been to direct resources toward economic development and housing activities. Funding received by the State from the National Housing Trust Fund is allocated pursuant to the Vermont National Housing Trust Fund Allocation Plan, which is only partly incorporated into the Consolidated Plan.

#### Vermont Community Development Program

CDBG funding is administered by the Vermont Community Development Program (VCDP) within DHCD. In FY 2021, VCDP awarded grants of approximately \$7.3 million for affordable housing development and another \$700,000 in Recovery Housing funds to two projects serving Vermonter's recovering from substance use. Projects that support affordable housing, job creation and retention, public facilities and public services are eligible and encouraged to apply for CDBG funding. The highest priorities are creating affordable housing and employment opportunities for low- and moderate- income individuals, with preference for facilitating development and growth in Designated Downtowns and Village Centers.

Only Vermont municipalities are eligible to apply for VCDP funding through a competitive, needs based application process. Funding levels, maximum and minimum grant requests, selection criteria, State priorities, and application assistance can be found in the Consolidated Plan itself and at the VCDP [website](http://accd.vermont.gov/community-development/funding-incentives/vcdp)<sup>5</sup>.

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<sup>5</sup> <http://accd.vermont.gov/community-development/funding-incentives/vcdp>

The VCDP must expend at least 70% of its HUD Award over a period of three program years to fund activities that principally benefit persons of low and moderate income. In FY21, VCDP awarded 9 new housing grants for 211 units, including 183 LMI, or 87%. The VCDP also awarded four scattered-site home repair grants totaling \$1.7 million which will benefit 106 units. Over the last three program years, 86% of VCDP funds for affordable housing projects has benefited low- and moderate- income persons. Grants for activities which aid in the prevention or elimination of slums and blight or that are designed to meet urgent community development needs do not necessarily provide a direct benefit to persons with low and moderate incomes and must be drawn from the remaining 30% of the CDBG award over a period of three program years.

Municipalities receiving CDBG awards must provide matching funds, which may be cash or in-kind, as follows:

Housing, public facilities and services, economic development	10% match for all CDBG grants
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### National Housing Trust Fund

The National Housing Trust Fund (HTF) was a new source of federal funding beginning in federal Fiscal Year 2016. Vermont receives the small state minimum of \$3 million annually of HTF funds, which are administered by the Vermont Housing and Conservation Board as the “State Designated Agency” in accordance with Vermont’s National Housing Trust Fund Allocation Plan. Per the Allocation Plan, each year, VHCB awards \$2.7 million of these funds to eligible developers of affordable rental housing. The remaining 10% are used for administration of the HTF as allowed per the approved Allocation Plan.

HTF funds are used for projects that include the creation or preservation of rental housing which: 1) remain affordable in perpetuity, 2) address at least one of the State’s Consolidated Plan housing priorities, and 3) will be ready to proceed within 18 months.

HTF assisted units must be occupied by and affordable to households with incomes at or below 30% of area median income or 30% of poverty level, whichever is lower. Funding preference is given to projects that 1) include the creation of permanent supportive housing (PSH) with rental assistance and support services for persons who are homeless or at risk of homelessness; 2) are in State designated downtowns, village centers, neighborhood development areas, or other “Smart Growth” locations; and/or 3) create new units or preserve affordable subsidized units in properties acquired from private owners.

### HOME Investment Partnerships Program

Home Investment Partnerships (HOME) funds are administered by VHCB which has been designated to administer HOME on behalf of DHCD. Vermont receives the small state minimum of approximately \$3 million in HOME funds.

HOME funds are used for the following:

1. Acquisition and Rehabilitation Program, to be used for acquisition and rehabilitation of conventional rental properties to make them affordable to low-income households and/or convert them to cooperative properties, and to preserve existing affordable rental properties.
2. New Construction Program, to be used for production of conventional rental properties that serve an area or market where existing housing stock is limited and/or to provide housing for households/individuals with documented special needs. Units created under this program must be affordable to low-income households; and
3. Refinancing existing debt, multi-family projects developed by locally based housing organizations that receive HOME funds for rehabilitation may utilize HOME funds to refinance existing debt if there is significant rehabilitation of the property proposed in addition to the refinancing.

A minimum of 15% of the State’s HOME allocation is reserved for rental projects developed, owned, or sponsored by qualified Community Housing Development Organizations (CHDOs). Up to 5% of the State’s HOME allocation may be used for general operating assistance for qualified CHDOs who are expected to receive CHDO project funds within 24 months. The State of Vermont has an extensive track record in working with CHDOs and other non-profit organizations, through the support of the VHCB and VHFA.

The following match requirements also apply:

Affordable rental housing	25% for rehabilitation and new construction activities
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### Emergency Solutions Grant

Federal Emergency Solutions Grants (ESG) are administered by AHS Office of Economic Opportunity (OEO) to help non-profit organizations, including community and faith-based organizations; provide emergency overnight and day shelter; offer supportive services for homeless families and individuals; and implement effective homeless prevention and rapid re-housing initiatives within the local continuum of care. Vermont’s ESG funds of approximately \$680,000 are blended with State, and other federal, funds to create the consolidated Housing and Opportunity Program (HOP).

The following match requirements also apply:

Housing and services for homeless families and/or individuals	100% (1:1)
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## Areas with Greatest Housing Shortages

The funding priorities dictated in the Consolidated Plan are not targeted to specific areas of the state but are based on the strength of the applications received and local needs. VHFA's assessment underscored that there is significant need for housing throughout Vermont. A housing market is typically considered balanced when the rental vacancy rate is between 4% and 6%. Vermont's estimated rental vacancy rate was 3.4%. Chittenden County had a particularly tight rental market, with an estimated vacancy rate of just 1.9%. Vacancy rates among Vermont's 13,592 government subsidized rental homes are typically far lower than the rates among all rental homes. According to the report, as of December 2019, 102 of these apartments were listed for rent across the state, indicating a vacancy rate of 0.8%. Vermont's homeowner vacancy rate was estimated at 1.4%, on the lower end of what housing experts consider a healthy market (between 1.3 and 2%). However, it is important to note that housing units "off-line" or un-available are not factored into these extremely low vacancy rates. In some regions of the state, this could account for significant housing stock as identified by the 19,000+ poor quality/substandard units referenced in the recent Housing Needs Assessment.

One symptom of the low rental housing availability is the large number of households who are spending an unaffordable amount on their housing costs. A household is considered housing cost burdened when more than 30% of household income is spent on housing cost, and severely cost burdened when housing costs consume 50% or more of household income. Per VHFA's Vermont Housing Data Community Profiles, 35,000 (50%) renter households in Vermont are cost burdened including 17,400 (25%) households with severe cost burden. The greatest incidence of severe cost burden among renter households is in Chittenden County (28%), Grand Isle County (32%), Lamoille County (29%), and Orleans County (28%). In addition to cost-burdened renters, an estimated of 53,000 (29%) homeowner households were cost burdened, with the highest incidence of cost burden among owners in Lamoille County (33%) and Windham County (33%).<sup>6</sup>

Vermont's low vacancy rates and subsequent high levels of unaffordability are due in part to a long-standing decline in its rate of housing construction. According to the Housing Needs Assessment, from 2010 to 2017, Vermont's year-round (non-vacation) housing stock grew by an estimated 0.16% per year, compared to 1.81% per year from 1980 to 1990.

Homelessness continues to be a major challenge in Vermont. The 2021 point in time count conducted on one night in January, enumerated 2,591 Vermonters (700 in Chittenden County and 1,891 in the Balance of State) experiencing homelessness. This represents a 130% increase from 2020. Clearly, the economic disruption caused by the pandemic has substantially increased the number of Vermonters experiencing and at risk of homelessness.

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<sup>6</sup> Source: U.S Census Bureau 2018 American Community Survey 5-year estimates

## Targeting Investments

The State's key objectives to address these housing needs as outlined in the Consolidated Plan are preserving existing affordable housing and developing new housing units or programs that are cost effective and sustainable.

These priorities are further guided by the State's preference for development and growth in Designated Downtowns and Village Centers and in other areas which incorporate "Smart Growth" principles, and the overarching priority of striving to achieve perpetual affordability in affordable housing projects that use public funds.

The goals relating to housing in the 2020-2024 Consolidated Plan are ; 1) to increase the supply and quality of affordable housing, and, 2) decrease the number of people experiencing homelessness using the following strategies:

- 1) Increase the Supply and Quality of Affordable Housing
- House lower income families and individuals, with special preference to projects housing extremely low income families and individuals at or below 30% of area median income.
- Produce affordable, accessible rental units, especially in regions where a market analysis identifies a shortage of elderly housing affordable to lower income seniors.
- Provide service enriched housing that allows seniors the opportunity to age in place, and for persons with disabilities.
- Locate affordable rental housing near public transportation services with access to employment centers, services, recreational opportunities, and schools.
- Increase the supply of affordable rental housing through the acquisition and/or rehabilitation of existing units especially in communities where there are tight housing markets, very low vacancy rates or there is a high incidence of distressed housing.
- Increase the supply of affordable rental housing through the construction of new units especially in communities where there are tight housing markets, very low vacancy rates or there is a high incidence of distressed housing.
- Promote mixed income developments to create integrated and inclusive communities.
- Promote the development of new rental housing and home owner units designed and built to a level of energy efficiency that meets or exceeds the levels required to qualify for the Energy Star label.
- Identify and remove barriers to increasing the supply of rental housing.
- Support increasing housing supply to address impediments to fair housing and inclusivity of communities.
- Preserve existing affordable housing projects including mobile home parks, in a manner consistent with prudent investment criteria.
- Redevelop existing properties with consideration given for projects that leverage other resources specific to the preservation of historic structures.
- Address habitability and infrastructure problems in mobile home parks.

- Preserve existing mobile home parks, and relocate families and individuals displaced by mobile home park closure.
- Develop, replace, or relocate mobile home parks and lots that are in flood hazard areas.
- Support the network of scattered site rehabilitation programs.
- Redevelop foreclosed properties for affordable rental housing.
- Address barriers to rehabilitation of the existing supply of rental housing that serves extremely low, low- and moderate-income families and individuals.
- Provide accessible or adaptable housing for persons with disabilities, including homeownership opportunities.
- Address the current and potential need for accessibility modifications and adaptable units to serve Vermonters with physical disabilities.
- Improve access to affordable mortgages and counseling-based lending for lower income families and individuals seeking to become homeowners.
- Increase programs for homeowner education and counseling.
- Maximize the use of the Section 8 homeownership option by public housing authorities.
- Support projects with employer assisted home ownership programs.
- Redevelop foreclosed properties for home ownership.
- Promote the development of home-ownership units that include a shared equity appreciation covenant.
- Encourage utilization of Private Activity Bond Cap with the potential of “4%” Low Income Housing Tax Credits
- Consider per-unit development costs for requests for public funding
- Work with stakeholder groups and the Agency of Agriculture to identify methods of investing in the rehabilitation or replacement of housing for agricultural workers to improve worker health and farm sustainability.

## 2) Decrease the number of people experiencing homelessness

- Emergency Shelter Operations, including day shelters, year-round overnight shelters, warming shelters, and motel stays when other shelter is not available
- Essential Services to individuals and families in emergency shelter
- Rapid Rehousing, Housing Relocation and Stabilization Services (including short-term financial assistance)
- Rapid Rehousing, Rental Assistance for up to 24 months (including rental arrears)

In addition to these Consolidated Plan priorities, Vermont has adopted a statewide framework to reduce child and family homelessness in Vermont.<sup>7</sup> This three-part plan includes:

1) Adopting the national “Family Connection” framework, developed by the U.S. Interagency Council on Homelessness, to ensure that local communities have a coordinated system for assessing families’ housing needs and connecting them to the appropriate benefits, employment, and evidence-based interventions,

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<sup>7</sup> <http://humanservices.vermont.gov/end-family-homelessness>

2) Bringing together rental subsidy programs with intensive services for people who are homeless so that families can get into housing faster and local providers can spend less time coordinating resources and more time resolving the root causes that led to homelessness; and,

3) Increasing the number of apartments that are accessible and affordable to Vermonters with extremely low incomes to create homes and opportunity for families experiencing homelessness today, as well as stabilize families who are housed but struggling under rents that are out of step with their income.

Finally, the QAP addresses the high priority needs of Vermont's homeless population by including two types of incentives to encourage developers to set aside either 10% or 25% of their Tax Credit units for people who are homeless.

## Results of Investments

These are some of the results of the combined efforts of Vermont's state housing agencies utilizing the funds awarded or appropriated for housing:

### DHCD

- From July 2020 to June 2021, the VCDP awarded new grants to 9 municipalities for housing projects totaling over \$4.9 million in CDBG funding, leveraging \$57.5 million in other resources which will create or preserve 211 units of affordable housing plus four scattered site (SS) housing rehabilitation grants totaling \$1,697,000 that will preserve 106 units of LMI housing. A minimum of 10% of units assisted need to be rental.
- The VCDP also awarded two Recovery Housing Program grants totaling \$700,000 creating 35 units of transitional housing for Vermont's recovering from substance use.
- \$2 million in CDBG CARES Act funding was awarded to the regional Vermont NeighborWorks® Homeownership Centers for the Housing Stabilization Program and Housing Rehabilitation Program. This program provides financial counseling for LMI homeowners and provides some funding to assist with back mortgage and utility payments caused by circumstances caused by the COVID-19 Pandemic. To date 360 people have received counseling and 54 households have received financial assistance.

### VHCB

- In FY21, State funding enabled VHCB to fund 24 housing projects with a total of 541 units of affordable housing across Vermont.
- With a special appropriation of \$10 million in state general funds, VHCB funded 4 projects with 75 units or beds targeted to homelessness related to the pandemic.
- While outside the scope of this report, VHCB also used \$32.9 million in Coronavirus Relief Funds from the CARES Act that created 235 homes for those experiencing homelessness and improved 12 emergency shelters. It also began establishing policies and programs to provide \$64 million of American Rescue Plan Act (ARPA) funds, \$9.6

million in HOME ARP, and \$80 million in state general funds in FY22 to respond to the urgent need to create more housing in response to the pandemic.

- Additionally, by the end of FY2021, VHCB had committed \$37 million in Housing Revenue Bond proceeds to 34 housing developments with 843 homes in 24 different communities across 11 counties plus accessibility improvements for 60 homes and funding for Habitat for Humanity homes statewide.
- In FY21 HOME funded four (4) affordable housing projects that created 44 new units and rehabilitated 64 units, for a total of 108 units.
- In FY21 HTF funded one (1) affordable housing project that rehabilitated 40 units.
- VHCB is currently administering a \$4 million HUD Lead Hazard Control grant awarded in early 2020. This program completes lead hazard control on owner-occupied homes and private rental units occupied by low income families.

### **VHFA**

- In FY 2020, 320 households received assistance from VHFA in the form of low-interest mortgages, income tax-saving mortgage credit certificates, and down payment assistance. Loans made through VHFA to these households totaled \$51 million.
- In 2020 Champlain Housing Trust's Mobile Home Down Payment Assistance program for energy efficient manufactured homes served 34 households.

In partnership with the Agency of Commerce and Community Development, VHFA developed and administered the Mortgage Assistance Program (MAP) to reduce the risk of foreclosure among Vermont homeowners who had been financially impacted by the pandemic. The program was funded by \$10 million federal CARES Act funds allocated by the Vermont Legislature. The program provided grants for up to 12 months of overdue mortgage payments and property taxes, paid directly to the mortgage servicer or the town. The program launched in July 2020 and ran through June 2021. The program served 888 Vermont households, with a median grant of \$6,726. Compared to all of Vermont's homeowners, those with COVID hardships helped by the MAP program were more likely to be people of color, more likely to be from larger households of four or more people, more likely to be under the age of 45 and were more likely to report a disability.

### **AHS**

- In 2021, through AHS investments in Independent Living housing programs:
  - 216 people secured affordable housing through the Home Share program.
  - 36 people had their homes made accessible through the Home & Community Access Program.
  - 4594 people received home-based wellness services through the Support and Services at Home program (SASH).
  - 52 youth received rental assistance through the Youth Development Program (YDP).
- In 2021, through AHS investments in Emergency Shelter programs:

- 6,356 unduplicated households served in the General Assistance Emergency housing program.
- 2,195 people utilized emergency shelter funded by the Housing Opportunity Grant Program.
- In 2021, through AHS investments in Affordable Housing programs:
  - More than 300 people's housing was stabilized with CRT Housing Support Funds.
- In FY 2021, through AHS investments in Supportive Housing programs:
  - 256 formerly homeless families (adults and children) were housed through Family Supportive Housing.
  - Approximately 200 people received Housing First supportive services through Pathways Vermont.
  - 122 people were housed through the Department of Mental Health's Housing Subsidy & Care program which helps people experiencing homelessness to exit from mental health acute care beds.
- In 2021, through AHS investments in Homelessness Prevention and Rapid Re-Housing programs:
  - 746 households were stabilized through the Housing Opportunity Program.
- In 2021, through AHS investments in Transitional Housing programs:
  - 505 individuals who were formerly incarcerated were housed through the DOC Transitional Housing program.
  - 455 households were housed through the Vermont Department of Health, Division of Alcohol and Drug Abuse Programs Recovery Housing programs.

**VSHA**

Over the past year, VSHA has continued to expand rental assistance programs for Vermont's most vulnerable, including standing-up two new programs (Foster Youth to Independence and CARES funded Emergency Housing Vouchers).

		Authorized Units 12/31/20	Program Components (targeted funding) 12/31/20	Authorized Units 12/31/21	Program Components (targeted funding) 12/31/21
Section 8 Emergency Housing Vouchers				99	
Section 8 Housing Choice		4309		4378	

Voucher Program					
	Project based		805		1074
	811 Mainstream		323		398
	Non-elderly disabled				
	HUD VASH		213		213
	Family Unification		359		359
	Foster Youth to Independence				20
	Tenant Protection		84		98
	Homeownership		65		65

VSHA continues to make good progress in carrying out and furthering its mission, “to promote and expand the supply of affordable rental and homeownership opportunities on a statewide basis”.

12/31/21: Awarded funding to support Family Self-Sufficiency case managers.

4/1/21: Awarded 75 Mainstream 811 Vouchers (CARES Act)

7/1/21: Awarded 99 Emergency Rental Assistance Vouchers, funded under the American Rescue Plan Act.

12/1/21: Awarded 20 Family Unification Vouchers to support Foster Youth to Independence

Graduated 14 individuals from Family Self Sufficiency, disbursing a total of \$104,153.91 in escrow funds.

In partnership with the NeighborWorks Homeownership Centers, supported 3 families in achieving homeownership through VSHA’s Section 8 For Homeownership Program.

Continue to administer state-funded housing grants, including the Department of Mental Health’s Housing Subsidy plus Care and the Department of Health’s Bridge to HOPWA programs.

Continues to perform housing inspections under the terms and conditions of grant agreements the Agency of Human Services’ Housing Opportunities and Vermont Rental Subsidy programs.

Designated “High Performer” under HUDs Section 8 Management Assessment Program (SEMAP) for the period ending 9/30/19, as well as for the past consecutive seven years – designation carried forward to 9/31/20.

Administering / operating programs during the COVID 19 Pandemic has been considerably challenging. With the use of HUD's waiver authority, which mostly expires 12/31/21, VSHA has been successful in meeting all programmatic requirements.

At the request of the Vermont Legislature, in partnership with the Agency of Commerce and Community Development, Vermont Legal Aid and the Vermont Landlords Association, using CARES Act funds, VSHA developed and administered a Rental Housing Stabilization Program (RHSP) to prevent homelessness and provide housing stability to Vermonters in need of rental arrearage assistance due to COVID-19 to avert tenant eviction.

RHSP provided funding for landlords on behalf of tenants, expending \$23,596,198 in assistance from 7/13/20 through 12/31/20 assisting 2479 unique landlords and 7614 unique tenants.

Under the terms of grant agreement with the Agency of Administration allocating \$110,000,000, the Vermont Emergency Rental Assistance Program (VERAP) was created to help renters dealing with financial challenges related to the COVID-19 pandemic. For eligible households, the program offers rental and utility assistance to help Vermonters avoid eviction or loss of utility service. ERAP was established by the Consolidated Appropriations Act 2021 and was successfully launched by VSHA on April 5, 2021. Eligible households must have an income at or below 80% of area median income (AMI), be obligated to pay rent on a residential dwelling in Vermont. In addition, one or more individuals within the household must qualify for or have qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due to the COVID-19 outbreak, and be able to demonstrate risk of experiencing homelessness or housing instability.

As of 12/31/21 VERAP has provided \$47,000,000 in benefits and has obligated an additional \$45,000,000 in future benefits, totaling approximately \$95,000,000.

### **Statewide**

- The nine regional housing nonprofit organizations continued to exceed the 15% goal established by [Executive Order No. 3-73](#). From 19% to 41% of their permanent affordable apartments are now home to the formerly homeless as defined by HUD with many more housing those who were at risk of homelessness. One-third of all new affordable units or those that turned over in FY21 were leased to those experiencing or were at risk of homelessness.

The state's housing agencies have also been successful in securing federal resources that are subject to competitive applications. These include the Federal Home Loan Bank's Affordable Housing Program, which provides low interest loans or grants for affordable housing; USDA's Rural Development 515 program, which provides low interest loans for multi-family housing; HUD's 202 program, which provides capital grants and operating subsidies for housing for the elderly; HUD's McKinney housing for the homeless programs; HUD's Lead Paint Hazard Control Grant Program, which provides money to reduce lead based paint hazards in privately owned

multi-family and single-family housing; HUD's Healthy Homes program, HUD's Housing Opportunities for Persons with AIDS (HOPWA) program, and the Commission on National and Community Service's AmeriCorps and VISTA programs, which have been used in Vermont to provide direct service to residents of State funded affordable housing, to help lower income Vermonters become homeowners and to help homeless Vermonters find housing.

## IV. Recommendations

As shown, Vermont's Housing Budget provided nearly \$61.3 million in combined State and federal funds and private equity for affordable housing development and down payment assistance. In addition, State and federal funds provided \$93.5 million in housing assistance and subsidies, mostly through Federal Project and Tenant Based Rental Assistance.

These funds are primarily targeted to multi-family rental housing, including housing for the elderly, and/or extremely- low-income households. They also help fund single family homes and mobile homes. They additionally serve housing for people who are homeless and people with special needs, in accordance with the Consolidated Plan.

A strong partnership exists between Vermont's housing agencies. Each brings a unique perspective and ongoing collaboration ensures the effective and efficient use of State and federal resources. These efforts should continue to maximize the use of housing resources and the outcomes and benefits. Important policy decisions are coordinated at the highest levels through DHCD's HUD Consolidated Plan and the Qualified Allocation Plan (QAP) for federal Housing Tax Credits and cross memberships on the boards of all statewide housing organizations and ongoing formal and informal collaboration.

According to data tracked by the Vermont Housing Finance Agency, half of Vermont's renter households and approximately 30% of its owner households remain cost-burdened, and there continues to be a gap in the supply of housing. Nearly a quarter of renters spend as much or more than 50% of their income on housing.

Several strategies for increasing the availability and improving the quality of Vermont's housing include:

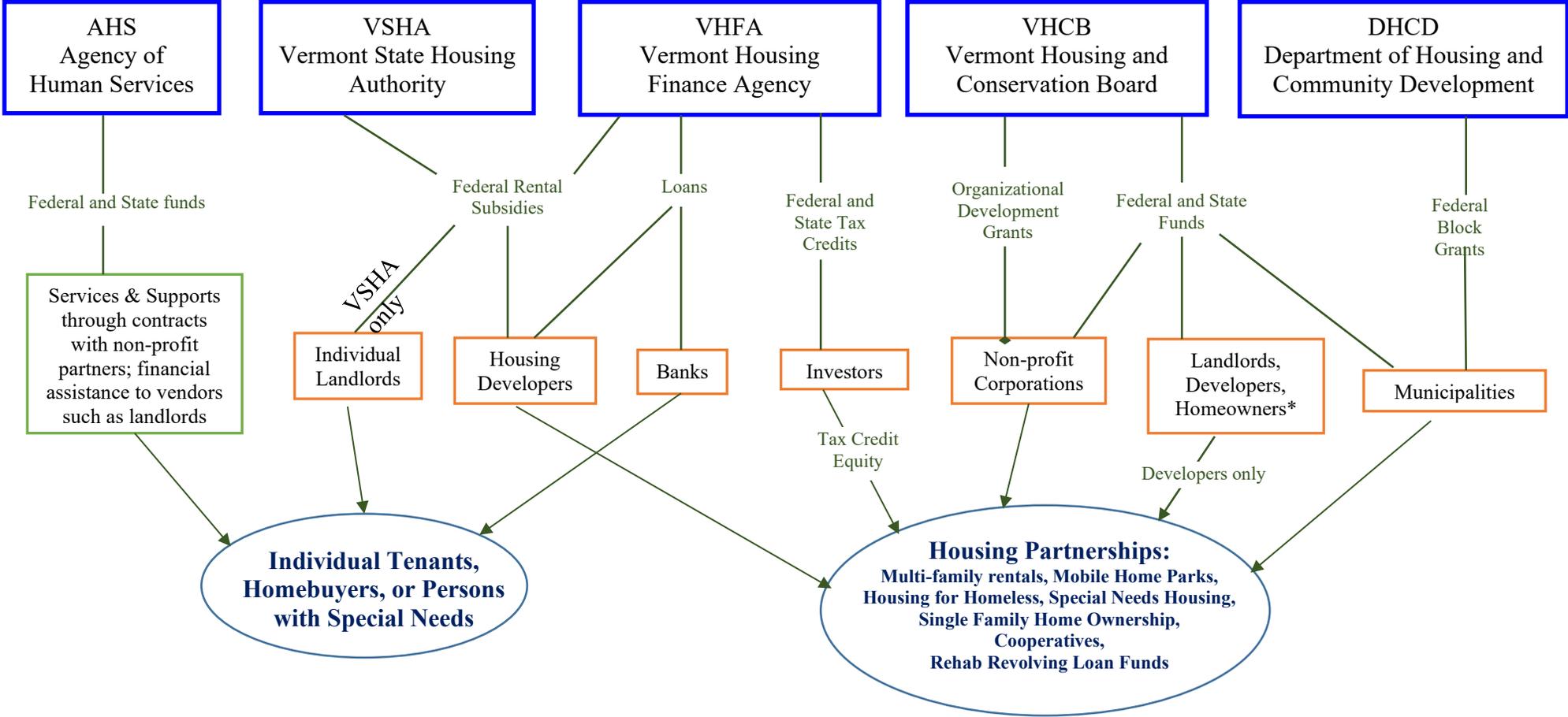
- 1) Supporting the development of more rental housing due to very low vacancy rates, with an emphasis on multi-family units affordable to extremely low income (<30%) and middle income (95%-120%) households, and one- and two-bedroom units.
- 2) Supporting the development of housing suitable and desirable to an aging population and programs enabling seniors to age in place due to projected household growth among the senior age groups (55+, 65+).

- 3) Supporting first time homebuyer and home rehabilitation programs for middle income households to move into homeownership and afford necessary home rehabilitation projects on aged stock).
- 4) Supporting affordable housing programs to develop or maintain affordable rental housing due to the current gap in the supply of rental units available to low-income households and low vacancy rates.
- 5) Supporting home repair programs, particularly accessibility modifications for seniors to remain in their homes longer, due to the age and condition of the existing housing stock, including assistance for repair and maintenance and weatherization.
- 6) Encouraging local governments to provide pre-development activities such as land banks, site prep and infrastructure, or market research and data, to attract developers to build affordable housing.
- 7) Continue support for VHFA's Community Profiles data collection and presentation to allow for public and community access to important information on housing needs and resources in Vermont.
- 8) Enhancing funding and capacity for shelter and service providers to assist those experiencing homelessness or to ensure housing stability.
- 9) Support statutory changes and incentives to municipalities to address barriers to housing development in smart growth areas.

These recommendations are reflected in numerous state and regional plans and continue to be analyzed and implemented. They are regularly discussed with state and local housing organizations as well as municipal leaders, realtors, homebuilders, the federal congressional delegation, and others.

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# State Housing Agencies in Vermont



\* Federal Lead-based Paint Hazard Control and HOME Programs