



AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

2023 VERMONT HOUSING BUDGET AND INVESTMENT REPORT



**Agency of Commerce and Community Development
Department of Housing and Community Development**

January 16, 2024

Submitted to:
The Vermont General Assembly

2023 Vermont Housing Budget and Investment Report

Vermont Department of Housing and Community Development
January 16, 2024

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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 and Homelessness Council, which the departments or agencies listed above are also members of, was consulted in the preparation of this report.

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 2023, 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, manufactured 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 and Homelessness 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 and Homelessness Council

In 2023, Governor Phil Scott established the Vermont Housing and Homelessness Council¹, replacing and combining the Vermont Housing Council and the Vermont Council on Homelessness. The Council’s duties include: by December 31, 2023, submitting to the Governor, a Tactical Action Plan “outlining annual strategies, specific tactics and measurable annual performance metrics to ensure affordable housing options exist for all Vermonters, at all income levels”; no later than September 30th of every year the Council exists, “develop an annual progress report on its key performance metrics and modifying tactical plans going forward”, and “recommend to the Governor state and federal policies to improve a housing availability, affordability and stability.”

DHCD and the Agency of Human Services provide administrative support and facilitate the Council’s quarterly meetings. The Council may establish sub-committees on Housing Development, Homelessness, and Rental Housing and has established sub-committees on Housing Development and Homelessness.

The members of the Housing and Homelessness Council include agency and department representatives and representatives from the named sectors listed below to be appointed by the Governor, to include: the Secretary of the Agency of Human Services or the Deputy Secretary of the Agency of Human Services; the Agency of Human Services Commissioners of Corrections, Mental Health, Disabilities, Aging and Independent Living, Health, and Children and Families; the Commissioner of the Department of Housing and Community Development; the Executive Director of the Statewide Workforce Development Board; the Chief Prevention Officer; the Commissioner or the Deputy Commissioner of the Vermont Department of Labor; the Executive Director of the Vermont State Housing Authority; the Executive Director of the Vermont Housing Finance Agency; the Executive Director of the Vermont Housing and Conservation Board; the Executive Director of the Vermont League of Cities and Towns; the Executive Director of a mental health designated agency; the Executive Director of a substance use preferred provider; a representative from a regional planning commission; a representative

¹ https://governor.vermont.gov/boards_and_commissions/homelessness

of the Balance of State Continuum of Care; a representative of the Chittenden County Continuum of Care; the Executive Director of a regional nonprofit housing provider; the Executive Director of a homeless shelter or service provider; and a private sector housing provider.

II. Vermont Housing Budget

In 2022, Vermont saw an unprecedented increase in its housing development budget to \$212 million. In 2023, housing development spending decreased from that historic high point, but still totaled \$170 million.

The majority of Vermont's housing budget has typically come from federal resources, including rental assistance programs, and private equity accrued from housing tax credits and bond credits. State funding for housing helps secure these federal resources and direct them to Vermont needs and priorities. In 2023, State funds supported \$80.2 million of the combined total of \$284 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 \$52.3 million of the state's \$170 million investment in housing development (Table III).

Consistent with the 2021 and 2022 Housing Budget and Investment Report, this report does not include any federal COVID-19 ARPA housing assistance funds that were awarded to Vermont during the COVID-19 emergency.

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 \$170 million. About \$96 million of the total accrued from federal housing and bond credits issued by VHFA.

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 almost \$114 million. About two-thirds of this came from \$74.9 million of federal project and tenant-based rental assistance through VSHA (Section 8). State general funds provided another \$27.87 million supporting programs through AHS.

State funding for housing development agencies totaled approximately \$55.3 million which primarily consisted of property transfer tax revenue, and capital bill funds appropriated to

VHCB, plus \$1,325,000 in State housing tax credits. (Table I on page 9) Federal funding for housing development agencies totaled more than \$16.7 million awarded to VHCB and DHCD. (Table II on page 10)

The largest source of funding for affordable rental housing projects has typically come 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 2023 was \$3.19 million, which is expected to generate approximately \$28 million in equity.

In addition, VHFA awarded another \$7.9 million in "bond credits" which are issued in conjunction with VHFA tax-exempt bonds, which will generate approximately \$67.7 million in private equity. (Table III on page 11)

Federal Funding for Housing Development

Tax credit equity of \$95.8 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 \$12.8 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 2023, the City of Burlington was awarded \$733,763 in CDBG and \$413,934 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 statute² is dedicated to VHCB. In FY 2023, VHCB received \$8.9 million in dedicated funds to support housing development from the property transfer tax and the capital bill. This is the only direct and ongoing State funding that supports the costs of building affordable housing homes. (Table I on page 9). VHCB was also appropriated and awarded an additional one-time \$44.2 million of state general funds to assist in meeting the current housing shortage. (Table I on page 9).

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

In FY 2023, the federal Low-Income Housing Tax Credits were supplemented with an allocation of \$1,325,000 of 5-year state Housing Tax Credits which will generate a total of approximately \$6 million in equity. Of these state Housing Tax Credits, VHFA awarded \$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.

VHFA awarded the other \$925,000, which will generate approximate \$4.2 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).

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 a total of \$107,312,330 in housing assistance to Vermonters during fiscal year 2023 (10/1/22-9/30/23) , which includes almost \$75 million in federally funded Section 8 rental assistance benefits; \$29,432,769 in COVID Emergency Rental Assistance (ERA) benefits and \$1,489,953 in state funds through the Landlord Relief and Mobile Home Infrastructure Repairs programs.

VSHA's diverse programs include the Section 8 Housing Choice Voucher program with an assortment of incentives and housing alternatives such as Family Self-Sufficiency, Homeownership, Family Unification, Foster Youth to Independence, Emergency Housing, Housing Stabilization , 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 Mental Health, and the Bridge to HOPWA 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 programs allow 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 \$27.9 million in State General Fund dollars and \$7.6 million in Medicaid funds supported programs of the departments of AHS to assist in supporting their clients' housing needs. The largest of these include Housing Opportunity Program (HOP) grants, Corrections Transitional Housing, Department of Mental Health Housing First Program, and Family Supportive Housing.

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.

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. This collaboration continues as the state seeks to tackle the lack of affordable housing available to low- and moderate-income Vermonters. The results include tripling housing production, consistent statewide use of the coordinated entry system and moving 4,114 households experiencing homelessness into permanent housing.

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](#) the State has not targeted its housing resources based on location to any specific area(s). Rather, projects are prioritized based on 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. (The state’s Qualified Allocation Plan (QAP) must consider location and gives marks to projects located in designated downtowns and villages, neighborhood development areas, and growth centers.)

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.³ 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 Data⁴ 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 identified 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.

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

⁴ <http://www.housingdata.org/>

In 2020, VHFA, DHCD and VHCB conducted an Affordable Housing Development Cost Study⁵. Since the study, developers in Vermont and across the county have had to contend with dramatically raising costs to materials and labor as a result of the pandemic economy. Vermont’s housing system has worked to incorporate key recommendations from the cost study while significantly increasing the production of affordable housing since 2020. Implemented recommendations include formalizing collaboration and communication among funding partners during the application process including the creation of the Housing Funders Round Table, utilization of 4% Low Income Housing Tax Credits, placement of new Zero-Energy Ready manufactured homes and legislative efforts to increase density and remove regulatory barriers for housing development.

Housing Budget Tables

The tables on the following pages make up the “Housing Budget” for 2023:

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

⁵ https://vhfa.org/sites/default/files/publications/final_analysis- vt_affordable_rental_housing_dvt_cost_factors_-_01.15.2020.pdf

TABLE I: State Funding for Housing Agencies for Development

2023 State Funding for Housing Agencies for Housing Development				
SOURCES	VHCB	VHFA	DHCD	TOTALS
State Appropriation of Property Transfer Tax and Capital Bill Funds	\$8,888,401			\$8,888,401
State One-time General Funds***	\$44,180,000			\$44,180,000
Loan Repayments	\$116,500			\$116,500
Interest on Fund	\$532,009			\$532,009
State Housing Tax Credits		\$1,325,000		\$1,325,000
State General Funds	\$0		\$215,642	\$215,642
TOTAL SOURCES	\$53,716,910	\$1,325,000	\$215,642	\$55,257,552
USES				
Operations*	\$1,299,295		\$215,642	\$1,514,937
Grants / Loans - State Appropriation	\$8,237,615			\$8,237,615
Grants/Loans - Housing Projects**	\$44,180,000			\$44,180,000
Multi-family rental housing		\$400,000		\$400,000
Down payment assistance for new homes and mobile home replacements		\$675,000		\$675,000
Down payment assistance for first-time home buyers		\$250,000		\$250,000
TOTAL USES	\$53,716,910	\$1,325,000	\$215,642	\$55,257,552
*VHCB is housing portion only, DHCD is based on 50% of VCDP operating expenses				
** Amount available for development,see Sources on Table III. As of 6/30/22 VHCB had awarded \$53 million of this one-time appropriation, with the balance of \$47 million being used for FY23 awards.				
***Includes \$6,680,000 of GF passed thru from AHS to VHCB				

TABLE II: Federal Funding for Housing Agencies for Development

2023 Federal Funding for Housing Agencies for Housing Development			
SOURCES	VHCB	DHCD	TOTALS
HOME Program	\$2,955,000		\$2,955,000
HUD Lead Paint Program / Healthy Homes	\$1,056,569		\$1,056,569
National Housing Trust Fund	\$3,000,000		\$3,000,000
Congressionally Directed Spending***	\$2,852,000		\$2,852,000
CDBG - RHP (included in CDBG)			\$0
CDBG		\$6,881,394	\$6,881,394
TOTAL SOURCES	\$9,863,569	\$6,881,394	\$16,744,963
USES			
Operations*	\$986,212	\$449,854	\$1,436,066
Grants/Loans/Direct Program**	\$8,877,357	\$6,431,540	\$15,308,897
TOTAL USES	\$9,863,569	\$6,881,394	\$16,744,963
*VHCB is housing portion only, DHCD is based on 50% of VCDP operating expenses			
**Amount available for development,see Sources on Table III			
***New in FY23 - 2 awards (Shared Equity & TriPark)			

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

2023 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	\$8,888,401			\$8,888,401
State One-time General Funds	\$37,500,000			\$37,500,000
State sub-award of GF from AHS	\$6,680,000			\$6,680,000
Federal Housing Program Revenue	\$8,877,357	\$6,431,540		\$15,308,897
Private Equity Generated by Federal Housing Credit*			\$28,085,200	\$28,085,200
Private Equity Generated by Federal Bond Credit**			\$67,733,617	\$67,733,617
Private Equity Generated by State Housing Tax Credit***			\$5,922,500	\$5,922,500
TOTAL SOURCES	\$61,945,758	\$6,431,540	\$101,741,317	\$170,118,615
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			\$1,125,000	\$1,125,000
Down Payment Assistance for New Homes using Equity from State Housing Tax Credit			\$1,912,500	\$1,912,500
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	\$61,945,758	\$6,431,540	\$95,818,817	\$164,196,115
TOTAL USES	\$61,945,758	\$6,431,540	\$101,741,317	\$170,118,615
*Estimated based on 2023 allocation of \$3.19 million in federal 10-year credits and an average of prices paid by investors in recent years.				
**Estimated based on \$7.9 million in federal 10-year bond credits provided in 2023 and average prices paid by investors in recent years.				
***Estimated based on 2022 allocation of \$1.375 million 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

2023 State and Federal Funds Combined for Housing Assistance/Subsidies				
SOURCES	AGENCY OF HUMAN SERVICES	VERMONT STATE HOUSING AUTHORITY	VERMONT HOUSING AND CONSERVATION BOARD	TOTALS
State of Vermont General Fund	\$ 27,869,805	\$ -		\$ 27,869,805
Federal Funds	\$ 2,743,076	\$ -		\$ 2,743,076
Medicaid	\$ 7,626,392			\$ 7,626,392
Federal Rental Assistance Program (Project Based)		\$ 31,457,396		\$ 31,457,396
Federal Rental Assistance Program (Tenant Based)		\$ 43,487,596		\$ 43,487,596
HOPWA Program (Federal and Ryan White)	\$ 200,000		\$ 477,000	\$ 677,000
TOTAL SOURCES	\$ 38,439,273	\$ 74,944,992	\$ 477,000	\$ 113,861,265
USES				
Programs providing housing assistance to individuals and rental assistance/supportive housing		\$ 74,944,992	\$ 477,000	\$ 75,421,992
VT Rental Subsidy Program **	\$ 150,682			\$ 150,682
Harbor Place **	\$ 31,802			\$ 31,802
Reach-Up Housing	\$ 213,551			\$ 213,551
Housing Opportunity Grant Program (HOP)	\$ 22,123,183			\$ 22,123,183
Family Supportive Housing	\$ 1,584,855			\$ 1,584,855
Correction Transitional	\$ 6,460,818			\$ 6,460,818
Housing Assistance for HIV/AIDS	\$ 200,000			\$ 200,000
ADAP Transitional - Sober Housing	\$ 1,160,736			\$ 1,160,736
Youth Housing Development Program Housing Subsidies	\$ 88,801			\$ 88,801
Temporary Housing/General Assistance / Emergency Assistance **	\$ 24,476			\$ 24,476
Homeshare	\$ 280,000			\$ 280,000
Support and Services at Home (SASH)	\$ 974,023			\$ 974,023
CRT Housing Support Fund	\$ 1,032,493			\$ 1,032,493
DMH Housing Subsidy and Care	\$ 1,040,000			\$ 1,040,000
Homeless outreach for severely mentally ill (PATH)	\$ 452,730			\$ 452,730
Housing First	\$ 2,621,123			\$ 2,621,123
TOTAL USES	\$ 38,439,273	\$ 74,944,992	\$ 477,000	\$ 113,861,265

** Additional \$812,883 of VRS was funded with ERAP, Additional \$529,222 of Harbor Place was funded with ERAP or 1x GF, an additional \$83,903,170 of emergency and transitional housing was funded with ERAP, FEMA, or 1x GF. Numbers above for GA emergency and transitional

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 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 the 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 2023, VCDP awarded grants of more than \$6.4 million for affordable housing development. In addition, VCDP awarded about \$640,000 in additional funding to two previously awarded Recovery Housing 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)⁶.

⁶ <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 FY23, VCDP awarded 13 new housing grants for 278 units, including 255 LMI, or 92%. 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

Vermont receives the small state minimum of \$3 million annually of National Housing Trust Fund funds (HTF), 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% is 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 that has been designated to administer HOME on behalf of DHCD. Vermont receives the small state minimum of approximately \$3 million in HOME funds. 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 \$690,000 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 outlined 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. Available data underscores that there is significant need for housing throughout Vermont. A housing market is typically considered balanced when the rental vacancy rate is around 5%. Chittenden County's rental vacancy rate was estimated at just 0.4% in June, 2022⁷, underscoring the severe lack of housing options.

One symptom of the limited 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, 89,900 households in Vermont (34%) are cost burdened including 37,800 (15%) households with severe cost burden. Half of all renter households are cost burdened, and one in four are severely cost burdened. The greatest incidence of severe cost burden among renter households was in Orleans County (33%), Grand Isle County (32%), and Chittenden County (29%), and Lamoille County (28%).

Homebuyers are also feeling the impact of unaffordable home prices and limited availability. The median Vermont non-vacation home sold for \$309,000 in 2022, a 14% increase from the 2021, and a 36% overall increase from prices in 2019, before the pandemic⁸. This is the largest single year home price increase seen since 2005. Every county has seen unusually high price growth since the outset of the pandemic however, Chittenden County still has by far the highest home prices, with the median primary home selling for \$435,000 in 2022.

Homelessness continues to be a major challenge in Vermont. The Annual Point in Time Count is a statewide count of persons experiencing literal homelessness.⁹ The Point in Time Count in January 2023 found an 18.5% increase in persons experiencing homelessness in Vermont compared to the prior year, including a 36% increase in homelessness in households with children.¹⁰ Specifically, the count conducted on January 25, 2023, enumerated 3,295 Vermonters (758 in Chittenden County and 2,537 in the Balance of State) experiencing literal homelessness.

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 most recent comprehensive count from the US Decennial Census, Vermont's year-round (non-vacation) housing stock grew by an estimated 0.6% per year, compared to 1.81% per year from 1980 to

⁷ Source: Allen, Brooks & Minor report, 2022. Recent, statistically reliable statewide data is not available.

⁸ Source: Vermont Property Transfer Tax (PTT) records.

⁹ Staying in emergency shelter, transitional housing for homeless persons, a place not meant for human habitation or staying in motel paid for by General Assistance Emergency Housing. It does not include those *at risk of homelessness, doubled up, or couch surfing*.

¹⁰ [2023-Vermont-Point-in-Time-Report-6-6-23.pdf \(helpingtohousevt.org\)](https://www.helpingtohousevt.org/2023-Vermont-Point-in-Time-Report-6-6-23.pdf)

1990. In 2021, Vermont built 2,319 new homes¹¹, the most in any year over the past decade, but still well below the number constructed annually before the Great Recession.

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.

¹¹ Source: U.S Building Permits Survey, 2021.

- 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

- Support Emergency Shelter Operations, including day shelters, year-round overnight shelters, warming shelters, and motel stays when other shelter is not available
- Provide Essential Services to individuals and families in emergency shelter
- Rapidly Rehouse households with Rental Assistance (up to 24 months) and services

In addition to these Consolidated Plan priorities, Vermont has adopted a statewide framework to reduce child and family homelessness in Vermont. 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,

- 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 2022 to June 2023, the VCDP awarded 13 new grants to 11 municipalities for housing projects totaling over \$6.4 million in CDBG funding, leveraging \$78.5 million in other resources which will create or preserve 255 units of affordable housing.
- The VCD also awarded \$639,460 in total enhancements to the two RHP projects in Bennington that were part of the reporting for last year.

VHCB

- Since the onset of the pandemic VHCB has, with our partners (VHFA, DHCD, AHS and VSHA), participated in the Housing Recovery Working Group to co-ordinate and best utilize new resources from Vermont's General fund, ARPA, Home ARP, and the programs covered by this plan. The results include tripling housing production, consistent statewide use of the coordinated entry system and moving 4,114 households experiencing homelessness into permanent housing.
- Since January of 2020, VHCB has committed more than \$240 million for multi-family housing and shelter upgrade and expansion from all sources of funding.
 - This includes \$218 million in investments in 1,890 multi-family rental homes, of which 1,620 are newly created or newly affordable; of those, 628 are designated for the homeless, in coordination with AHS and utilizing the state's Coordinated Entry System.
 - This also includes \$22 million investment in 496 shelter beds, of which 198 are newly created.
- VHCB funding is supporting the creation of 58 recovery beds for persons experiencing addiction statewide.

- VHCB has created and expanded the farmworker housing rehabilitation lending pilot program, administered by the Champlain Housing Trust (CHT), to include home replacement. This program has successfully improved the quality of housing for over 200 farm workers statewide.
- VHCB has enhance work with manufactured home communities, including standing up the Manufactured Home Replacement and Infill Program and leveraging federal funds for investments in parks, including to relocate homes from the floodway at Tri-Park in Brattleboro. Our work in Mobile Home Communities since 2020 includes communities in Brattleboro, Monkton, Middlebury, St. George, and Colchester, and touches the lives of 723 households in homes on lots around the state.
- In 2023, VHCB established the CTE Construction and Rehabilitation Revolving Loan Program, administered by the Vermont Community Loan Fund, to help train the next generation of Vermont’s builders while improving its current housing stock and community facilities. Students are actively working and learning on a project underway in Newport.
- Funding for the Vermont Center for Independent Living’s Home Access Program for households with mobility impairments has been doubled for two consecutive years to reduce and hopefully eliminate their waiting list.
- In FY23, HOME funds supported three (3) affordable housing projects creating 94 new units and rehabilitated 16 units, for a total of 110 affordable homes.
- In FY23, National Housing Trust Fund dollars funded four (4) affordable housing projects that created 168 new units.
- In FY23, HOME-ARP funds supported three (3) affordable housing projects creating 127 new units and rehabilitated 16 units, for a total of 143 affordable homes.
- The VHCB Healthy & Lead Safe Homes program provides assistance to control lead paint hazards in owner-occupied homes and private rental units occupied by low-income families. VHCB is currently administering a \$4.2 million HUD Lead Hazard Control grant awarded in 2022.

VHFA

- In FY 2023, 213 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 \$43 million.
- In 2023, VHFA awarded state tax credits to Champlain Housing Trust’s Manufactured Home Down Payment Assistance program for energy efficient manufactured homes, serving 42 new households with zero percent down payment assistance loans.
- In 2023, VHFA awarded state and federal tax credits to affordable housing developers, which were sold to investors to raise an estimated \$105 million in equity for construction and other development costs. Tax credits are the largest ongoing source of funding for affordable housing in Vermont. These tax credits will support the construction, rehabilitation, or preservation of 812 affordable rental apartments in 17 communities across the state of Vermont.
- VHFA also awards state credits and loans for development of owner occupied homes. Approximately \$1 million in equity from state tax credits awarded in 2023 will support the

construction of 36 new affordable single family homes in Burlington, Milton, Shelburne and Woodstock.

- In January 2022, in partnership with the Agency of Commerce and Community Development, VHFA developed and launched the Vermont Homeowner Assistance Program (VHAP) to assist Vermont homeowners who had been financially impacted by the pandemic. The program was funded by \$50 million from the federal American Rescue Plan Act (ARPA). The program provides up to \$30,000 per household towards overdue mortgage payments, utility bills, property taxes, and property association charges, paid directly to the service provider. The program stopped accepting applications in July 2023 when all funding had been allocated. The program provided more than \$40 million to 5,785 Vermont households (\$20 million in mortgage relief, \$10 million in utility assistance, \$9 million in property tax payments and \$1 million in property association fees.)
- Signed into law by Governor Scott in June of 2022, the Middle Income Homeownership Development Program (originally called “Missing Middle-Income”) was established to create new, modest homes throughout the state and help meet the needs of low and moderate-income households. The program, which provides subsidies and incentives for home builders to construct or rehabilitate modest homes affordable to Vermont homebuyers at 120% of the area median household income or lower, represents the largest single investment in the state’s history to create new homeownership opportunities. In March 2023, the VHFA Board of Commissioners awarded \$14.2 million to 12 projects totaling 92 homes across eight counties as part of the Middle Income Homeownership Development Program. During the 2023 Legislative Session, VHFA was awarded an additional \$9 million in funding for the continuation of the successful program. The 12 projects will include townhomes, condominiums, single-family, and modular homes. More than 50% of program funds were awarded to projects with shared equity models.
- The First Generation Homebuyer Program launched in November 2022 with a goal of helping more Vermonters afford their first home. At the end of the fiscal year, \$869,000 of the initial \$1 million allocation had been disbursed to 58 first-generation homebuyers with important down payment assistance. Approximately 19% of funds have gone to households that identify as BIPOC, exceeding the portion of all Vermont households that identify as BIPOC (8%).

AHS

- In SFY2023, through AHS investments in Independent Living housing programs:
 - 224 people secured affordable housing through the Home Share program.
 - 4,884 people received home-based wellness services through the Support and Services at Home program (SASH).
- 69 youth received rental assistance through the Youth Development Program (YDP). 44 youth received funding through Adult Living Partner Extended Care Agreements (extended foster care). 85 youth received independent living stipends through one-time federal supplemental funding. A total of 195 youth accessed housing support (including security deposits, rental assistance, other housing needs, and ECA-ALPs) through the

Youth Development Program. YDP also approved 178 Youth Investment Grants for housing related needs.

- In 2023, through AHS investments in Emergency Shelter programs:
 - 4,203 unduplicated households were served in the General Assistance Emergency housing program. Emergency Housing was supported significantly by one-time General Fund, FEMA, and/or COVID related funding.
 - 3,180 people utilized emergency shelter programs funded by the Housing Opportunity Grant Program.
- In 2023, through AHS investments in Affordable Housing programs:
 - More than 72 people's housing was stabilized with CRT Housing Support Funds.
 - Approximately 11 unique people were housed each month through the Bridge to HOPWA program in partnership with VSHA. This 38% reduction is primarily due to a lack of housing units and lack of service capacity.
- In FY 2023, through AHS investments in Supportive Housing programs:
 - 344 formerly homeless families (adults and children) received housing retention support through Family Supportive Housing.
 - Over 118 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 2023, through AHS investments in Homelessness Prevention and Rapid Re-Housing programs:
 - 985 households were stabilized through the Housing Opportunity Program.
 - 140 households were stabilized in housing with a Reach Up Vermont Rental Subsidy.
 - 1,976 households receiving Reach Up were supported with Emergency Rental Assistance (General Fund and one-time Covid-related funding).
- In 2023, through AHS investments in Transitional Housing programs:
 - 429 individuals who were formerly incarcerated were housed through the DOC Transitional Housing program.
 - 95 households were housed through the Vermont Department of Health, Division of Substance Use Programs Recovery Housing programs.

While outside the scope of this report, AHS also expanded investments in housing with covid-related and other state one-time funding through initiatives like Reach Up Emergency Rental Assistance (included above), Independent Living Stipends (included above) as well as Housing Stability Services grants to community organizations (in partnership with the Department of Housing & Community Development), and the HOME Voucher Program.

- 1,573 households received legal support or outreach to prevent eviction (supported by Emergency Rental Assistance Housing Stability Services)
- 1,220 households received help to find housing (supported by Emergency Rental Assistance Housing Stability Services)

- 102 landlords received assistance in accessing rental assistance for tenants or mediation services (supported by Emergency Rental Assistance Housing Stability Services)
- 2,508 households received help to apply for rental assistance (supported by Emergency Rental Assistance Housing Stability Services)

VSHA

In 2023, VSHA continued to expand rental assistance opportunities for Vermont’s most vulnerable while creatively addressing housing needs in partnership with others.

		Authorized Units 12/31/23	Program Components (targeted funding) 12/31/23	Authorized Units 12/31/23	Program Components (targeted funding) 12/31/23
Section 8 Emergency Housing Vouchers		99		99	
811 Mainstream Housing Vouchers		428		428	
Section 8 Housing Choice Voucher Program		4039		4039	
	Project based		1174		1174
	Housing Stability		22		22
	Non-elderly disabled		275		275
	HUD VASH		213		213
	Family Unification		359		359
	Foster Youth to Independence		20		20
	Tenant Protection		77		77
	Homeownership		63		63

During calendar year 2023, VSHA committed an additional 113 Section 8 project-based vouchers to units designated for unhoused individuals and families – bringing the total to 436 units statewide.

Under the terms of two grant agreements with the Agency of Administration totaling \$192 million dollars, administered the rental assistance component of ERA1 and ERA2, commonly known as the Vermont Emergency Rental Assistance Program. VERAP ended in June 2023.

Statewide

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, this year, Vermont's Housing Budget provided nearly \$212.5 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 \$96.2 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 manufactured homes. They additionally serve housing for people who are experiencing homelessness 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:

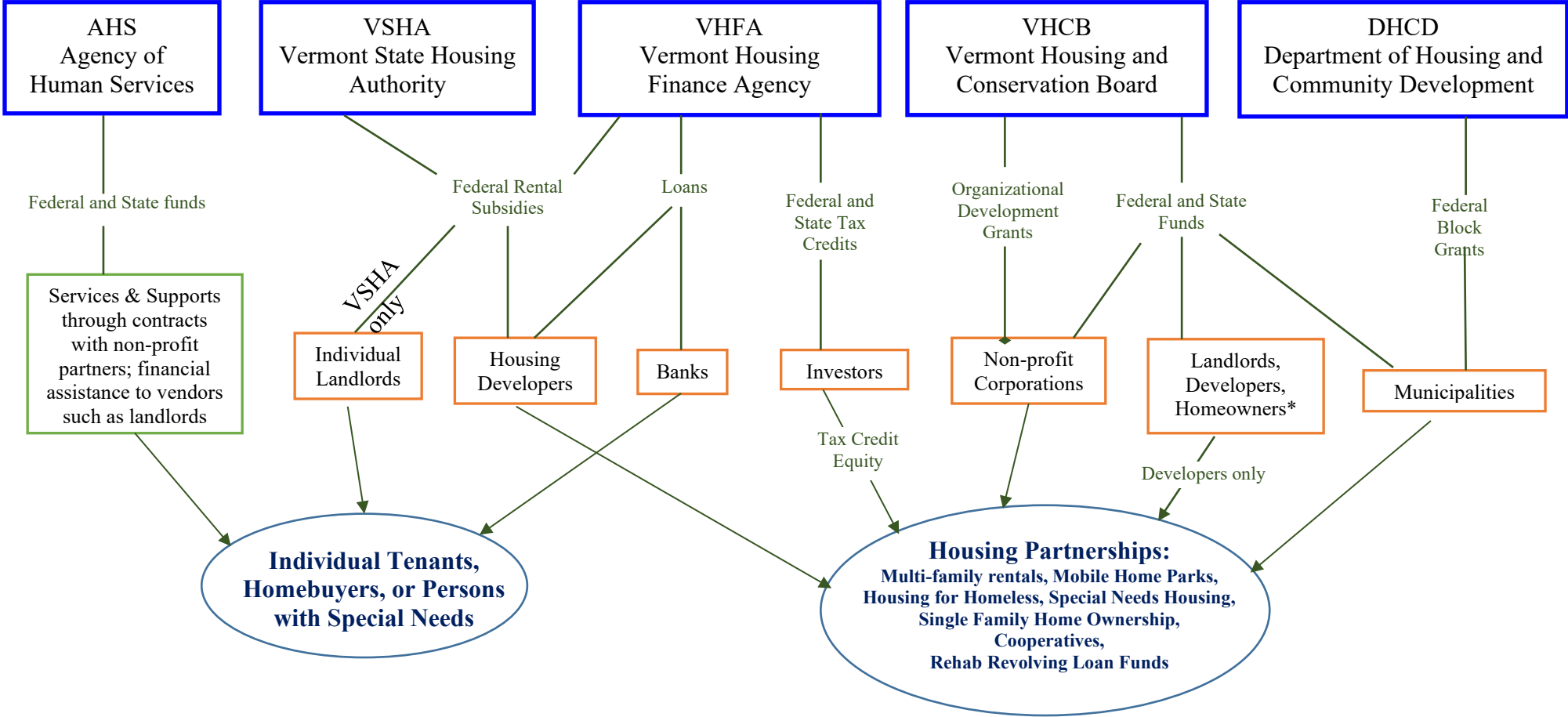
- 1) Supporting the development of more rental housing due to very low vacancy rates, with an emphasis on multi-family units affordable to extremely low income (<30%) and middle income (95%-120%) households, and one- and two-bedroom units.
- 2) Supporting the development of housing suitable and desirable 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