1. Workshop Presentations

HOUSING 101: Introduction to Affordable Housing

1.1 Introduction to Affordable Housing,
- Mike McNamara, U.S. Dep't of Housing & Urban Development
- Erhard Mahnke, Vermont Affordable Housing Coalition

1.2 Developing Affordable Rental Housing
- Amy Wright, Burlington Associates in Community Development

1.3 Vermont Housing & Conservation Board
- Jenny Hyslop, VHCB

HOUSING 102: Housing for People with Special Needs

1.4 The Section 8 Program
- Leah Sare, Vermont State Housing Authority

1.5 Introduction to Vermont’s Continua of Care
- Daniel Blankenship, Vermont State Housing Authority

1.6 Homelessness Assistance & Prevention Programs
- Sarah Phillips, VT Office of Economic Opportunity

1.7 Housing for Seniors & People with Disabilities
- Molly Dugan, Cathedral Square Corp.

LEND AFFORDABLY: Resources for First Time Homebuyers

1.8 Financing Homeownership through VHFA
- Seth Leonard, Vermont Housing Finance Agency

1.9 Financing Homes through Rural Development
- Mike Urban, USDA Rural Development

1.10 Vermont Homeownership Centers
- Elizabeth Bridgewater, Windham & Windsor Housing Trust

1.11 Shared Equity Program
- Elizabeth Bridgewater, Windham & Windsor Housing Trust
Affordable Housing

- Housing is considered “affordable” if the cost does not exceed 30% of a household’s gross monthly income.

- Affordability is relative – it is determined by two factors: housing cost & the ability of people to pay that cost.

- For Renters, “cost” is rent & utilities. For Homeowners, “cost” includes mortgage, taxes, insurance & utilities (& condo fees, if applicable).

- Rents and home prices are rising faster than many Vermonters’ ability to pay, and a large portion of Vermont’s workforce has low-wage jobs.
Vermont’s Housing Stock

Estimated Housing Units in Vermont, 2014*

Owner*  
182,417  
56%

Renter*  
74,835  
23%

Vacation & vacant units for sale/rent  
67,080  
21%

*Renter and owner units are primary homes

*2010-2014 American Community Survey (ACS) 5-Year Estimates, census.gov
VT’s Housing Challenges

- **Cost Burden** = paying over 30% of income for housing
  - 46% of renters, 12th highest in nation
  - 35% of owners w/mortgages, 6th highest in nation

- **Constrained market:**
  - 4.9% rental vacancy rate in 2015, 7th lowest in nation (ACS)
  - Recent state estimates are 1% - 2% (4% - 6% = healthy market)
  - 1.8% vacancy rate for owned homes, 12th lowest in nation (ACS)

- **Older housing stock:**
  - 27% of VT housing stock built before 1939, 5th oldest in nation
  - Needs lead paint remediation, energy efficiency & safety upgrades

- **Progress on homelessness, but there’s more to do:**
  - January 2016 census counted 1,117 people without housing – a 27% reduction since 2015
  - BUT still a 16% increase from 2008, start of the Great Recession
Lower Income Households in Vermont

Growing Number of Low-Income Households in Vermont

<table>
<thead>
<tr>
<th>Year</th>
<th>Low-Income Households</th>
<th>Other Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>94,709</td>
<td>145,925</td>
</tr>
<tr>
<td>2010</td>
<td>96,449</td>
<td>159,993</td>
</tr>
<tr>
<td>2015</td>
<td>103,879</td>
<td>158,623</td>
</tr>
<tr>
<td>2020</td>
<td>103,839</td>
<td>163,431</td>
</tr>
</tbody>
</table>

Source: Census & 2015-2020 Vermont Housing Needs Assessment
A modest 2-BR apt in VT cost $1,099/month in 2016, which was affordable at an hourly wage of $21.13 per hour (the “Housing Wage”)

56% of Vermont’s workforce works in jobs where the average wage is below $21.13/hour

7,820 – Shortage of units affordable and available for extremely low income renters (ELI, <30% of median income)

53 – Affordable and available units per 100 ELI renter households

A median priced single family home in 2015 was $205,000 and would require an annual income of $60,322 and at least $16,659 for down payment/closing costs
Vermont’s Housing Delivery System

- Community-based nonprofit organizations
- Housing Vermont – statewide non-profit; partners with local organizations
- Public Housing Authorities (state and local)
- For-profit Developers
Service Areas of Regional Nonprofit Housing Development Organizations

ACCT  Addison County Community Trust
CHT   Champlain Housing Trust
DHCD  Downstreet Housing & Community Dev.
HTRC  Housing Trust of Rutland County
LHP   Lamoille Housing Partnership
Shires Shires Housing
TPHT  Twin Pines Housing Trust
W-WHT Windham & Windsor Housing Trust
Permanent Affordability: Foundation of Vermont Housing Policy

- Means that housing affordability is preserved – it will always be kept affordable for low to moderate income Vermonters
- A priority for Vermont housing funders and housing non-profit developers
- This policy preserves public subsidies and ensures that there will be affordable housing in perpetuity
- The importance of Preservation: policy grew out of painful losses of existing publicly subsidized housing
U.S. Department of Housing and Urban Development

- Created as part of President Lyndon B. Johnson’s War on Poverty
- Established as a Cabinet Department by the Department of Housing and Urban Development Act of 1965

Secretary Julian Castro
HUD’s Mission
To create strong, sustainable, inclusive communities and quality affordable homes for all.

HUD Program Areas

- FHA
  - Single Family
  - Multifamily
- Community Planning & Development
- Public Housing
- Fair Housing/Equal Opportunity
- Policy Development and Research
State of Vermont Partner Organizations

**Vermont Agency of Commerce & Community Development**
- Acting Secretary, Lucy Leriche

**Vermont Dept. of Housing and Community Development**
- Commissioner, Vacant
- Deputy Commissioner Josh Hanford

**Vermont Housing and Conservation Board**
- Executive Director, Gus Seelig

**Vermont Housing Finance Agency**
- Executive Director, Sarah Carpenter

**Vermont State Housing Authority**
- Executive Director, Richard Williams
Community Planning and Development

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
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</thead>
<tbody>
<tr>
<td>CDBG – (State)</td>
<td>$6,469,008</td>
<td>$6,339,221</td>
<td>$6,418,887</td>
</tr>
<tr>
<td>Burlington (Entitlement)</td>
<td>$716,684</td>
<td>$732,146</td>
<td>$724,881</td>
</tr>
</tbody>
</table>

- Funds VT Department of Housing & Community Development
- DHCD accepts applications throughout the year
- CDBG-DR of $21,660,211 for Tropical Storm Irene (2012)
- CDBG-DR2 of $17,932,000 for Tropical Storm Irene (2013)
Vermont Housing & Conservation Board

- Created by VT State Legislature in 1987
- Capitalized with initial $3M; $20M in 1988
- Received $15.2M in FY16; $15.1M in FY 17
- Affordable housing and community development linked with land conservation and historic preservation
- Over 12,000 affordable homes & apartments since 1987
- New Housing Trust Fund allocation of $3M in FY 2016
- Lead-Based Paint Abatement: $22.8 M since 1994; 2,000+ Units
  - $3,231,148 grant in 2015
## HOME Investment Partnerships Program

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tr>
<td><strong>State of Vermont:</strong></td>
<td></td>
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<tr>
<td></td>
<td>FY 2014</td>
<td>FY 2015</td>
<td>FY 2016</td>
</tr>
<tr>
<td></td>
<td>$3,017,887</td>
<td>$3,002,167</td>
<td>$3,023,400</td>
</tr>
<tr>
<td><strong>Burlington:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY 2014</td>
<td>FY 2015</td>
<td>FY 2016</td>
</tr>
<tr>
<td></td>
<td>$388,428</td>
<td>$351,855</td>
<td>$383,939</td>
</tr>
</tbody>
</table>

Funds to Department of Housing & Community Development; pass-thru for administration by VT Housing & Conservation Board

VHCB administered more than $58 million in HOME since 1992

Burlington’s Community & Economic Development Office administers the City’s allocation
Homeless Programs (CoC, ESG, HOPWA)

- **Continuum of Care (CoC)**
  - State of Vermont
  - Chittenden County
  - **FY 2015**
  - State of Vermont: $5,410,994
  - Chittenden County: $1,221,337
  - Total: $6,632,331

- **Emergency Solutions Grants (ESG)**
  - State of Vermont
  - Total: $636,450

- **Housing Opportunities for Persons With Aids**
  - Burlington HA received FY15 grant of $392,906
  - VHCB received FY13 grant of $1,473,017
Vermont’s Public Housing Authority Units

<table>
<thead>
<tr>
<th>PHA</th>
<th>Public H.</th>
<th>Sec 8</th>
<th>Other</th>
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<tbody>
<tr>
<td>Barre</td>
<td>366</td>
<td>185</td>
<td>---</td>
</tr>
<tr>
<td>Bennington</td>
<td>195</td>
<td>207</td>
<td>---</td>
</tr>
<tr>
<td>Brattleboro</td>
<td>284</td>
<td>187</td>
<td>21</td>
</tr>
<tr>
<td>Burlington</td>
<td>---</td>
<td>1,759</td>
<td>792</td>
</tr>
<tr>
<td>Montpelier</td>
<td>60</td>
<td>122</td>
<td>128</td>
</tr>
<tr>
<td>Rutland</td>
<td>161</td>
<td>194</td>
<td>88</td>
</tr>
<tr>
<td>Springfield</td>
<td>---</td>
<td>61</td>
<td>299</td>
</tr>
<tr>
<td>VT State</td>
<td>---</td>
<td>3,979</td>
<td>321</td>
</tr>
<tr>
<td>Winooski</td>
<td>238</td>
<td>335</td>
<td>115</td>
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<tr>
<td><strong>Total Units</strong></td>
<td><strong>1,304</strong></td>
<td><strong>7,114</strong></td>
<td><strong>1,764</strong></td>
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</table>

Grand Total= 10,182
VT Human Rights Commission
- Substantially equivalent to FH & EO
- Enforce Fair Housing Laws on HUD’s behalf in VT
- HUD-Funded Fair Housing Assist. Program (FHAP)
  - $85,000+/- per year

Two HUD-Funded Fair Housing Initiatives Programs

FHIP Grantees:
- CVOEO Fair Housing Project -- $124,999 in FY 2016
- Vermont Legal Aid -- $300,000 in FY 2016
Vermont Housing Finance Agency

- Created by VT State Legislature in 1974
- Promotes affordable housing opportunities for Vermonters
- Financed: 28,000 homeowners
  8,600 affordable apartments
- Administers Federal Housing Credit Program
  - Annual Allocation $2.59 million
  - Equates to approx $20.7 M in equity
- Administers State Affordable Housing Tax Credit Program
  - Annual Allocation $700,000 (equates to approx $3M in equity)
  - FY 16 – 22: Additional $125,000 annual allocation for downpayment assistance (approx. $590K in equity)
• Direct single-family housing loans for low-income families
• Guaranteed single family housing loans for moderate-income families
• Multifamily housing
• Farm labor housing
• Home improvement loans and grants
• Government-owned property
• Housing Preservation Grants
• Mutual Self-Help Program
Rent Subsidies

Ensure tenants do not pay more than 30% - 40% of gross income for rent

- Section 8
- USDA RD
- HUD 202 (for seniors)
- Other rental assistance
  - For veterans, homeless, or others with special needs

More than half of low income households do not have rental assistance
Affordable Housing Funding Priorities

- Documents which outline Priorities
  - Consolidated Plan
  - Qualified Allocation Plan

- Some Priorities & Considerations
  - Long Term Affordability
  - Location - village center and downtown development
  - Mixed Income & Affordable < 30% of median income
  - Family housing
  - Rehabilitation, or infill new construction in low vacancy areas
  - Support & Services at Home (SASH) and Supportive Housing – 130% “Basis Boost” if 10% of units in new project, or equivalent number in existing portfolio
  - Community-based
  - Energy efficient, universal design, historic preservation
  - Financially feasible & well-leveraged resources
  - Experienced & sound developer & manager
  - Market Study supports concept/size
Informational Resources

- USDA Rural Development VT/NH [http://1.usa.gov/1x72UoV](http://1.usa.gov/1x72UoV)
- Vermont Housing Finance Agency [www.vhfa.org](http://www.vhfa.org)
  Directory of Affordable Housing [www.housingdata.org/doarh/](http://www.housingdata.org/doarh/)
- Vermont Housing & Conservation Board [www.vhcb.org/](http://www.vhcb.org/)
- Vermont State Housing Authority [www.vsha.org/](http://www.vsha.org/)
- Vermont Affordable Housing Coalition [www.vtaffordablehousing.org/](http://www.vtaffordablehousing.org/)
- Vermont Coalition to End Homelessness [www.helpingtohousevt.org](http://www.helpingtohousevt.org)
Contact Info

U.S. Department of Housing and Urban Development  
Burlington Field Office

Michael McNamara  
Field Office Director
95 St Paul Street, Suite 440  
Burlington, Vermont 05401

Phone: (802) 951-6290  
Fax: 951-6298
Michael.F.McNamara@HUD.gov

Vermont Affordable Housing Coalition

Erhard Mahnke  
Coordinator
275 Northgate Road  
Burlington, VT 05408

Phone: (802) 660-9484
erhardm@vtaffordablehousing.org
DEVELOPING, OWING AND MANAGING RENTAL HOUSING IS COMPLICATED

Housing 101

Amy Wright.
Presenter

amybworth87@gmail.com
A REMINDER OF WHY WE NEED AFFORDABLE HOUSING

<table>
<thead>
<tr>
<th></th>
<th>1 adult</th>
<th>1 adult + 1 child</th>
<th>1 adult + 2 children</th>
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</thead>
<tbody>
<tr>
<td>Minimum wage</td>
<td>$9.60</td>
<td>$9.60</td>
<td>$9.60</td>
</tr>
<tr>
<td>Poverty Level</td>
<td>$5.71</td>
<td>$7.70</td>
<td>$9.69</td>
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<tr>
<td>Livable Wage</td>
<td>$17.26</td>
<td>$24.57</td>
<td>$35.94</td>
</tr>
</tbody>
</table>

State, regional and local efforts to build housing, serve communities and create opportunities.
BUILDING AND RENOVATING HOUSING TAKES A LOT OF MONEY

Every funder will require

- Build it right
- Energy efficiency
- Long term sustainability
- Good management
THREE IMPORTANT RESOURCES

Affordable housing - multiple funding sources

• Low Income Housing Tax Credits

• Vermont Community Development Program

• Federal Home Loan Bank Affordable Housing program
LOW INCOME HOUSING TAX CREDITS

Federal resource with allocation to states

Program offers 10 years of tax credits

Developer partners with entity that has major tax liability

Investor provides funds to develop project – this reduces debt

Project commits to affordable rent (30 year+)

Vermont is usually able to fund 6-10 projects a year with credits
ELIGIBLE LIHTC ACTIVITIES

Acquisition
• With at least $6,000 rehab

Rehabilitation
• Including the construction costs + “soft costs” of architecture, engineering, market study, etc

New Construction

Requires
• A minimum of 40% apartments affordable to households at 60% area median income
  OR
• A Minimum of 20% apartments affordable to HH at 50% income
Typical VT Tax Credit Partnership

General partner(s): maintains day to day control and responsibility

Limited Partners: provide cash to build project, take 10 years of tax benefits

- Partnerships are set up with structure that allows any cash flow to benefit the project, not the investors

- Partnerships are set up with permanent affordability requirements
Allocated
“9% Credit”
Generates approx. 60% to 70% of total project costs

Bond
“4% Credit”
Generates approx. 35% to 45% of total project costs
*CALCULATING TAX CREDITS IN YOUR PROJECT*

Qualified Basis: 1,000,000

X Applicable Credit Percentage: 9%

= Projected Annual LIHTC: 90,000 X 10

X 10 years: 900,000

Max Tax credits: 900,000
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Tax credits</td>
<td>900,000</td>
</tr>
<tr>
<td>Contribution per LIHTC $</td>
<td>x. .89</td>
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<tr>
<td>Total Investor Contribution</td>
<td>$801,000</td>
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</table>
PROJECTS NEED MULTIPLE FUNDING SOURCES

LIHTC projects also financed with

Debt
Federal and State Historic tax credits
State credits
HOME
Vt Housing and Conservation Board
VT Community Development Program
New Market Tax Credits
VERMONT COMMUNITY DEVELOPMENT PROGRAM

Federal funds provided to State
Application process 4 x a year

State sets guidelines in its Consolidated Plan

Vermont towns and municipalities apply for funds

Applicants bring projects to Selectboard to request that they submit an application
VCDP FOCUS -

Community needs, needs of low income households

Housing
- Acquisition
- Rehabilitation
- New Construction
- Program Management/Soft Costs
- Infrastructure-Water/Sewer

Economic Development

Must serve low and moderate income households
VCDP REQUIREMENTS

All applications evaluated on

• Project Need
• Impact
• Feasibility
VCDP grants awarded to towns
Towns loan or grant to projects

- On-line/Web-based Application System
Community Development Board appointed by Governor

Implementation Grants (IG) for housing

- Funding up to $1,000,000
- Affordable housing development
  Scattered Site Housing (SS)
Planning Grant (PG)
  $3,000 to $30,000
FEDERAL FUNDS – FEDERAL REQUIREMENTS

- Environmental Review including Historic Preservation approval
- Income guidelines posted in Federal Register
- Public notice and public meeting prior to application
AFFORDABLE HOUSING PROGRAM (AHP)
FEDERAL HOME LOAN BANK

The Federal Home Loan Bank regulations require that 10% of Bank’s net earnings awarded to affordable housing developments.

Funds awarded to member banks who apply on behalf of projects.

Grants and subsidized loans.
Competitive Projects

- 60% of apartments affordable to 50% area median income

- Strong member bank participation in a loan or as a tax credit investor

- Projects that offer economic and or social supports to residents
APPLYING FOR AHP FUNDS

Federal Home Loan Bank of Boston competition once a year

Projects from all over New England compete

On-line Application opens in July, applications due in September and awarded in December

Important to talk early with your lender about an application
NON-PROFITS INCREASINGLY SOPHISTICATED IN USING THESE TOOLS
HOUSING DEVELOPMENT IS A TEAM EFFORT

You need

• Good legal, accounting

• Strong development skills

• Experienced operations, management

• Good architect, engineers, construction team
CLOSING THOUGHT

• Funding is very competitive

• Long term commitment

• Many success stories!
Affordable Housing program
www.fhlbboston.com/communitydevelopment/ahp

Agency of Commerce and Community Development
accd.vermont.gov/community-development

Tax Credits
www.vhfa.org/rentalhousing/developers
SAMPLE DEVELOPMENT BUDGET

- Assumptions:
  - 27-unit, substantial redevelopment project.
  - 21 LIHTC units, 6 up to 80% of HUD AMI.
## Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>% of Total</th>
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<tr>
<td>Equity</td>
<td>$3,680,775</td>
<td>55%</td>
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<tr>
<td>Primary Mortgage</td>
<td>210,000</td>
<td>3%</td>
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<tr>
<td>Town--UDAG loan</td>
<td>200,000</td>
<td>3%</td>
</tr>
<tr>
<td>VHCB</td>
<td>625,000</td>
<td>9%</td>
</tr>
<tr>
<td>HOME</td>
<td>455,000</td>
<td>7%</td>
</tr>
<tr>
<td>CDBG-DR</td>
<td>1,000,000</td>
<td>15%</td>
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<tr>
<td>VHCB lead</td>
<td>10,500</td>
<td>0%</td>
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<tr>
<td>NeighborWorks</td>
<td>125,000</td>
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<td>Energy Incentives</td>
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<td>State tax credits</td>
<td>193,500</td>
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<td>Town RLF</td>
<td>225,000</td>
<td>3%</td>
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<tr>
<td>VHCB feasibility</td>
<td>10,000</td>
<td>&lt;1%</td>
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<td><strong>TOTAL SOURCES</strong></td>
<td><strong>$6,748,275</strong></td>
<td><strong>100%</strong></td>
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Uses

ACQUISITION
Acquisition/Land $34,200
Acquisition/Buildings 193,800
Title Insurance/Recording 4,500
Appraisals 3,000

TOTAL ACQUISITION $235,500

CONSTRUCTION
New construction $3,586,549
Rehabilitation 664,316
Demolition 397,103
Abatement 52,000
Appliances 27,250
Contingency 297,561

TOTAL CONSTRUCTION $5,024,779
Uses

SOFT COSTS

- Market Study: 2,000
- LEED: 19,000
- Environment /Energy Ass./C.N.A./hist: 20,000
- Legal/Accounting: 35,000
- Permits/Fees: 118,877
- Additional Insurance/Taxes: 30,000
- Construction Loan Interest: 85,000
- Marketing/Syndication Costs: 5,000
- Loan/Lender Fees: 24,850
- Operating Reserve: 70,805
- Lease up reserve & working capital: 25,000
- Tax Credit Applications: 18,000
- Soft Cost Contingency: 8,000
- Development Fees: 675,000

**TOTAL SOFT COSTS**: 1,487,996

**TOTAL USES OF FUNDS**: $6,748,275
VHCB’s History & Purpose

• VHCB is a quasi governmental organization

• Created in 1987 to “meet the dual goals of creating affordable housing for Vermonters and conserving and protecting Vermont’s agricultural and forest land, historic properties, important natural areas, and recreational lands”
Canal Street Housing in Winooski
28 rooms with 47 beds for veterans developed by COTS.
Transitional and permanent housing with support services.
VHCB’s Multi-Family Housing Programs

• Provide grants and loans to create and preserve housing ensuring that it is perpetually affordable to lower-income Vermonters.

• Provide training and technical assistance for regional housing groups (our local partners).

• VHCB staff also participate in policy work through statewide housing councils, committees, and other collaborative efforts at the local, state & national level.
Overlook Transitional Housing in Hartford
Ten apartments with support services for formerly homeless individuals and families
The Impact of VHCB’s Housing Programs

- As of 2015, 12,000 affordable homes created
- More than 30,000 Vermonters housed.
- Special populations served throughout the state.
### Housing with Units Designated for Special Populations

100 Properties with 1192 Units  
$18.8 million Since 1990

<table>
<thead>
<tr>
<th>People Served</th>
<th>Units or Beds</th>
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<tbody>
<tr>
<td>homeless in shelters and transitional housing</td>
<td>229</td>
</tr>
<tr>
<td>homeless in permanent housing</td>
<td>105</td>
</tr>
<tr>
<td>victims of domestic violence</td>
<td>45</td>
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<tr>
<td>frail elderly</td>
<td>276</td>
</tr>
<tr>
<td>vulnerable youth and children</td>
<td>110</td>
</tr>
<tr>
<td>individuals with mental illness</td>
<td>237</td>
</tr>
<tr>
<td>individuals with developmental disabilities</td>
<td>34</td>
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<tr>
<td>released from corrections</td>
<td>97</td>
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<tr>
<td>individuals with physical disabilities</td>
<td>26</td>
</tr>
<tr>
<td>veterans</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1192</strong></td>
</tr>
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</table>
Phoenix Houses in Burlington and Barre
Sober Living for Former Inmates Recovering from Addiction
Income Levels of Households Living in VHCB/LIHTC Properties
5301 Units in 225 Properties
Data Sources: VHCB and Vermont Housing Finance Agency, December 2015

Percent of Households by Income Category

- <=30% AMI: 54%
- 31-50% AMI: 30%
- 51-80% AMI: 14%
- >80% AMI: 2%
Safford Commons in Woodstock
28 apartments in a new affordable neighborhood
VHCB’s programs supporting the preservation and creation of multi-family housing (and this year’s allocation):

- State of Vermont Funds for housing awards ($5.9 million)
- HOME: (Approximately $3 million)
- National Housing Trust Fund ($3 million)
- Land Bank Funding – does not receive an annual allocation
- Lead Paint Program  (Approximately $3 million over three years)
Good Samaritan Haven in Barre
Shelter for the Homeless
VHCB Has Six Funding Thresholds:

- Mechanism for perpetual affordability
- Location that meets the Board’s priorities
- Ready to proceed
- Financial viability
- If health & safety threats exist, they must be addressed
- The development & management team have sufficient capacity
Harbor Place in Shelburne
59-room motel owned and managed by Champlain Housing Trust, with support services to help residents transition to permanent housing.
VHCB Has Eight Priorities for Funding:

- Meets documented need
- Neighborhood or downtown revitalization
- Location
- Serves very low income households or households with special housing needs
- Preserves at risk housing
- Dual goal projects
- Response to natural & other disasters, health & safety threats
- Energy Efficiency
Eligibility:

For State Funds:
• Non-Profit Organizations
• Municipalities
• Limited Equity Coops

HOME:
• Non-Profit and For-Profit Developers

National Housing Trust Fund (NHTF):
• Non-Profit and For-Profit Developers
• Public Housing Agencies
• Municipalities

Lead Paint Program:
• Non-profit Landlords
• For-Profit Landlords
• Individual Homeowners
VHCB Program Basics

• Funds appropriated annually by State Legislature

• From the Property Transfer Tax, by statute

• Typically all VHCB funded units should be affordable to households at or below 80% of HUD Area Median Income (AMI). 1/3 of units should be affordable to households at or below 50% of AMI.

• Approximately $25,000 per unit, depending on unit type
HOME Program Basics

- HUD entitlement program to the State of Vermont & the City of Burlington
- Funding priorities outlined in the Consolidated Plan
- Vermont’s HOME dollars go primarily to multi-family rental housing
- 1621 units, in 267 developments 1992
HOME Program Basics, Cont’d

- HOME-assisted affordable apartments have household income and rent restrictions:

  - Generally must be occupied by and affordable to households with incomes at or below 60% of HUD Area Median Income (AMI)

  - If there are more than 5 units in a project, at least 20% must be occupied by and affordable to households with incomes at or below 50% AMI.

- HOME income and rent limits are published annually by HUD and available in VHCB’s online HOME Handbook [http://www.vhcb.org/home-program-handbook.html](http://www.vhcb.org/home-program-handbook.html)
Per Unit Maximum Funding, HOME

- 0 Bedroom $65,000
- 1 Bedroom $75,000
- 2 Bedroom $90,000
- 3 Bedroom $115,000
- 4 Bedroom $125,000

- Developers typically “max out” these limits
NHTF Program Basics

• Also an entitlement program

• Vermont qualifies for the “small state minimum” of $3 million

• In this fiscal year, all funding must be used to benefit households at or below 30% of AMI (ELI)
  • Vermont has opted to provide a preference for permanent supportive housing for persons who are experiencing homelessness or have previously experienced homelessness

• VHCB anticipates making first awards at the January meeting of the Board, based on funding priorities outlined in Vermont’s Trust Fund Allocation Plan

• Complex new program – additional resources:
  • This afternoon’s workshop & related materials
  • http://www.vhcb.org/htf/index.html
Per Unit Maximum Funding, NHTF

- 0 Bedroom  $140,107
- 1 Bedroom  $160,615
- 2 Bedroom  $195,304
- 3 Bedroom  $252,662
- 4 Bedroom  $277,344
Lead Program Basics

- Nationally competitive grants awarded to VHCB annually since 1994
- 2300 homes made lead-safe
- Structured as grants & deferred loans
- Targeted to households below 80% of area median income
- Priority for properties that house or are likely to house children under 6 years old
- Per unit costs range from $3500-$15000

More info: [http://www.vhcb.org/Lead-Paint/](http://www.vhcb.org/Lead-Paint/)
Working with VHCB

- Information about application dates, policies, guidelines and other important updates about our programs can be found at our website www.vhcb.org

- Housing staff are always available to answer questions:
  - Contact us early in the process so that we can help troubleshoot
  - A site visit is required for all applications
  - Small feasibility grants of up to $10,000 are available to help organizations determine whether to move forward with developing a project.
Other Programs of VHCB

- Mobile Home Replacement Pilot
- HOMELAND
  - Up to $50,000
  - Single Family Assistance – for closing costs, 0% deferred
  - Administered by Homeownership Centers: http://www.vthomeownership.org/
- Habitat for Humanity
  - Up to $27,000
- VCIL Home Access Program
Jenny Hyslop
jenny@vhcb.org
Vermont Housing & Conservation Board
58 East State Street, Montpelier, Vermont
www.vhcb.org
802-828-5539
RD 515 Rural Rental Housing Loans

• A major source of financing for rental housing in rural areas (Note: No funding for new developments over last several years, funds used mostly for preservation of existing 515 developments)

• Available to both For-Profit & Non-Profit Developers

• Direct loan at market interest to the Developer

• Developer agrees to rent and occupancy restrictions
RD 515, Cont’d

- Developer agrees to rent and occupancy restrictions
- RD subsidizes the repayment, typically to 1%
- Reduces the debt burden of the developer, allowing rents to be set below market rate
- Compatible with other types of subsidy, including Project Based Rental Assistance.
More information about RD 515

• For more information: http://www.rd.usda.gov/vt

• Vermont contact: Mike Urban michael.urban@vt.usda.gov
The Housing Choice Voucher Program

Housing 102

November, 2016
The Housing Choice Voucher (HCV) Program is what most people associate the term Section 8 with.

It is the federal government’s major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market.

Participants find their own housing, which needs to meet the requirements of the program (rent affordability and housing quality).
Housing Choice Vouchers

- A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family.

- The family pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.
  - Family pays between 30 - 40 percent of adjusted monthly income
  - Gross rent capped by PHA’s payment standards
    - Established for each county and bedroom size (see Resource Guide)
    - Funded based on 90 to 110% of the Fair Market Rent

- Under certain circumstances, a family may use its voucher to purchase a home.
Section 8 Voucher Eligibility

- Determined by the PHA based on the total annual gross income and family size
  - In general, family’s income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live
  - By law, PHAS must provide 75 percent of vouchers to applicants whose incomes do not exceed 30 percent of the area median income.
  - Median income levels are published by HUD and vary by location (see Resource Guide)
- Limited to US citizens and specified categories of non-citizens who have eligible immigration status
- PHA screens for prior behavior in assisted housing based on individual policy.
Section 8 Voucher Eligibility

- PHA screens for criminal record based on policy.
  - By regulation persons who have been convicted of producing methamphetamine on the premises of federally assisted housing cannot receive assistance.
  - Persons who are subject to a lifetime registration requirement under a state sex offender registration program are also not eligible to receive assistance.
- Eligible families are placed on a waiting list until a voucher is available - provided the PHA’s waiting lists are open.
Calculation of Assistance

Example: A single parent working 40 hours per week earning $10/hour with 2 children:

Payment Standard = $901
Adjusted Monthly Income after applying standard deductions = $1,653
30% of Adjusted Monthly Income = $496
Amount of maximum rental assistance = $901 minus $496 = $405
When Gross Rent* = Payment Standard

- If a family rents a unit with rent/utility costs that are exactly equal to the Payment Standard, Section 8 pays the landlord the Payment Standard less 30% of the family’s adjusted monthly income.

- Assistance is $405 in our example.

* Gross rent = contract rent + any utilities the tenant is responsible for, based on the PHA’s utility allowance (see Resource Guide)
When Gross Rent < Payment Standard

- If the gross rent is below the Payment Standard, the family still pays 30% of the adjusted monthly income and Section 8 pays the rest.
  - The Section 8 program pays less when gross rent is less than the Payment Standard.
When Gross Rent > Payment Standard

- The Voucher pays the Payment Standard minus 30% of adjusted monthly income
  - The family pays 30% of adjusted income PLUS the amount above the Payment Standard.
  - Although the family can pay more than the payment standard - they CANNOT pay more than 40% of their adjusted monthly income for rent and utilities, at lease up of a new unit. If paying the difference between the payment standard and the gross rent would cause them to spend more than 40% of their adjusted monthly income on housing each month, that unit is not affordable and cannot be rented with a voucher.
  - After the initial lease term, however, it is possible for the tenant portion to go above 40%. Example: a landlord requests a rent increase.
Other Housing Choice Voucher Elements

- Project-Based Vouchers
- Family Self-Sufficiency
- Home Ownership
- Targeted Funding Options:
  - Mainstream Housing Opportunities for Persons with Disabilities
  - Housing Vouchers for Non-Elderly Disabled Households
  - Family Unification
Additional Resources Under the Section 8 Umbrella

- New Construction and Substantial Rehabilitation (Project-based)
- Moderate Rehabilitation (Project-based)
- HOPWA
  - VT Department of Health Bridge to HOPWA subsidy
- Veterans Supportive Housing Program (VASH)
What is the relationship between VSHA & other PHAs?

- We are all governed by the same regulations
- Each has a separate board, which approves separate policies for each agency
- VSHA does not have any oversight or governance over the local PHAs
VSHA does not have oversight or governance over the local PHAs

- What this means:
  - Each agency has their own preferences/priorities to meet the needs of their own community.
  - Each agency has a local territory. If they have a client who wants to move outside of their territory, it may be possible for that client be transferred or “ported” to VSHA.
  - VSHA operates throughout the state (except for Montpelier), so our territories sometimes overlap with local PHAs.
Local Preferences

- Agency specific - determined at the local level.
- Effective 10/1/2015:
  - VSHA offers three preferences (*see Resource Guide*)

Disaster Preference

- Available to families who are displaced due to fire, flood, natural disaster, or condemnation by a local, state or federal agency.
Transitional Housing Preference

Available to families who are transitioning from one of the following programs:

Programs administered by VSHA:
* Family Unification - Youth In Transition
* Shelter Plus Care
* Rapid Rehousing

Programs administered by other entities:
* State of Vermont’s Rental Subsidy Program
* Domestic Violence Transitional Housing Program (on the Continuum of Care Homeless Inventory Chart)
Transitional Housing Preference

To be considered for this preference, applicants must meet the following additional criteria:

1. Actively participating in a case-management plan - which includes a discharge plan with an appropriate organization providing these services; and

2. Be in compliance with any lease agreement (verbal or written). Families must be current in their rent and any other conditions of tenancy. Families can not be subject to an eviction action. VSHA will require Certification from the applicant’s current landlord stating they are in good standing and in compliance with their lease agreement.
Homeless Families with Case Management Support

- Available to families who are homeless, as defined by HUD’s Category 1 definition of homelessness, and who will be receiving regular on-site case management support from a local homeless services, social services or mental health agency for at least one year after moving into a voucher-assisted unit.

- Status will be verified through the agency providing case management.
How do I apply?

- Contact VSHA
  - www.vsha.org
  - 802-828-3295
  - Many waiting lists are closed
    - See Resource Guide for VSHA’s handout detailing which lists are open

- Contact your local PHA
  - Barre Housing Authority
  - Bennington Housing Authority
  - Brattleboro Housing Authority
  - Burlington Housing Authority
  - Montpelier Housing Authority
  - Rutland Housing Authority
  - Springfield Housing Authority
  - Winooski Housing Authority
  - See Resource Guide for contact info
For a complete listing...Don’t forget www.housingdata.org

- Use this site to do family-specific searches for units by county, bedroom size, accessibility features, etc.
- Contains all of the project based units in the state, as well as tax credit and other programs.
- Provides the contact information needed to apply for each site.
Vermont’s Homeless Continua of Care System

Daniel Blankenship
Vermont State Housing Authority
November 2016
McKinney-Vento Homeless Assistance Act

- 1987: Congress passes first federal law to address homelessness and authorizes HUD housing programs (Shelter Plus Care & Supportive Housing Programs).
- 1988 to 1993: HUD held national competitions for S+C & SHP homeless assistance funds every year with individual organizations writing separate applications.
- 1994: HUD requires communities to collaborate on a single comprehensive CoC application (CoC NOFA-Notice of Funding Availability). All project applications must be approved by a CoC as part of coordinated homeless planning.
Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act

2009: President Obama signed the HEARTH Act to amend and reauthorize the McKinney-Vento Homeless Assistance Act with substantial changes:

- Creates **U.S. Interagency Council on Homelessness** to establish goals & priorities
- Increases Emphasis on **Performance** (Individual Projects and System-wide)
- New Definition of **Chronic Homelessness** and other Homeless Definitions
- Consolidates Shelter+Care/Supportive Housing Programs into new “**CoC Program**”
- Publishes **regulations** on the CoC Program, Emergency Solutions Grants (ESG) Program, and Homeless Management Information Systems (HMIS)
What is a Homeless Continuum of Care (CoC)?

A geographic area determined by stakeholders, and recognized by HUD, to:

- Facilitate discussions, develop a community plan, conduct a homeless count, determine services/housing needs gap, advocate, and other activities
- Participate in annual CoC NOFA competition (approve individual project applications for CoC Program and complete/submit community application)

HUD Continua of Care = Burlington/Chittenden CoC & VT Balance of State CoC
What is a Local CoC?

- Local CoCs are communities comprised of a **wide variety of stakeholders**:
  - homeless/shelter providers, community action agencies, youth/family providers
  - domestic/sexual violence providers & mental health/substance treatment providers
  - public housing authorities, affordable housing providers/developers, landlords
  - Current/formerly homeless persons, advocates, town/city/state/federal agencies, businesses, law enforcement, schools/universities, faith-based entities, others
- VT Balance of State CoC is comprised of 11 local CoCs and partners
- Burlington/Chittenden CoC is both a local CoC **and** a HUD CoC
In 2012, HUD created the CoC Program Interim Rule to regulate & guide the structure and operations of HUD CoCs and the CoC Program with each community required to:

- Notify and hold **public meetings** for full CoC membership with wide variety of stakeholders
- Full CoC Membership elects a **CoC Board of Directors**
- Approve a **Governance Charter**, Policies, and Committees/Workgroups
- Develop **Written Standards** for and **Monitor** all HUD CoC and ESG Programs
- Conduct/submit Point-in-Time count (**PIT**), Homeless Inventory Chart of **All** Homeless Beds (**HIC**), Annual Homeless Assessment Report to Congress (**AHAR**), etc.
Homeless Management Information System (HMIS)
https://www.hudexchange.info/programs/hmis/

- Each HUD CoC must choose and oversee a Lead Agency to operate a single CoC HMIS. In June 2015, both VT CoC’s selected ServicePoint as the designated HMIS software and Institute for Community Alliances as HMIS Lead to operate a joint HMIS statewide implementation.

- Direct data entry into the single CoC HMIS is required of all federal homeless programs: HUD Continuum of Care/Emergency Solutions Grants, SAMHSA-PATH, Veterans Affairs, HHS-Runaway & Homeless Youth Programs, HOPWA.

- **Private & state-funded homeless programs** encouraged to participate in the CoC HMIS.

- HMIS helps understand **individual household/provider need** (Coordinated Entry/Program Evaluation), and **community need** (advocate, prioritize funds, develop services & housing), **statewide/U.S. need** (System Performance & Point-in-Time count of the homeless).
Coordinated Entry System

https://www.hudexchange.info/resource/4427/coordinated-entry-policy-brief/

HUD CoC’s are required to establish a formal coordinated entry system to ease access for people to homeless services & housing, identify & assesses their needs, and prioritization based upon needs.

An effective coordinated entry process has the following qualities:

• **Full CoC Coverage, Prioritize** people with greatest needs, **Use CoC HMIS** and other systems

• **Inclusive of All** Homeless Populations, **Fair/Equal Access, Outreach, Low Barrier, Housing First, Person-Centered, Timely, Referrals** to all ESG/CoC and other programs

• **Safety planning** to ensure the safety of people fleeing domestic violence with confidential access and adherence to the Violence Against Women Act (VAWA)
Each of the 400+ U.S. HUD CoC’s are required to designate a Collaborative Applicant to work on its behalf (or itself if a legal entity), and provide necessary information to HUD, to:

- Design **collaborative process** for annual CoC NOFA competition to submit a **community application** and assist CoC establish **selection criteria/priorities** to submit **all individual project applications**
- Ensure the CoC meets **compliance/requirements** of the CoC Program Interim Rule; participates in the **Consolidated Plan**; evaluates program outcomes for all **HUD CoC & ESG program outcomes**
- Complete and/or ensure timely **submission of reports**: Housing Inventory Chart of **All** Homeless Beds, PIT/HIC, AHAR, System Performance, etc.
- Act as **Unified Funding Agency**, if CoC is approved to submit a single CoC project application
Each year all U.S. CoC’s compete for CoC Program funds ($1.9 billion in recent FY2016 NOFA)

When HUD releases the NOFA, CoC’s have 60 days to complete & submit both a Community Application and all individual CoC Project Applications (year-round planning is essential)

The CoC NOFA is limited. An effective homeless system needs for CoCs to conduct multi-year, comprehensive planning efforts that encompass mainstream services and multiple funding sources:

- Advocacy (Poverty Council, Homeless Vigils), and other efforts (2011 Governor’s Homeless Summit, AHS Plan to End Family Homelessness, Winter Shelter planning), etc.
- Consolidated Plan, technical assistance (Roadmap Committee and CoC Planning grant)
- Local CoC assessments and VT [Interagency] Council on Homelessness
HUD CoC NOFA: Community Application
http://helpingtohousevt.org/initiatives/hud-hearth/

• Engage & Coordinate: diverse partners, open meetings & project application process, reduce criminalization

• Discharge Planning: prevent homeless exits from Mental Health, Corrections, Foster Care, Health institutions

• Coordinated Entry System & Access Mainstream Benefits: health insurance, SNAP, SSDI/SSI, fuel, etc.

• CoC Projects & Evaluation: review, rank, selection; address project capacity (performance, monitoring, compliance), Low Barrier & Housing First, retool/reallocate TH and underperforming/low priority projects

• HMIS & PIT Count: Implementation, Funding, Bed Coverage (all homeless beds in CoC), Data Quality

• System Performance: reduce/first-time/returns to homelessness, PH exits & retention, jobs & income

• Strategic Planning Objectives & Initiatives: End Homelessness (Chronic = 2017; Family = 2020; Youth = 2020; Veteran = 2016; engage with local Homeless Education Liaisons & follow Education Laws
CoC Program: Individual Project Applications

FFY2016 HUD CoC NOFAs (submitted September 2016)

**Burlington/Chittenden CoC = $1,007,642** * VT Balance of State CoC = $3,178,168
(not including Permanent Housing Bonus & Planning applications)

**HMIS:** only Lead can apply for funds for a CoC’s implementation to support all homeless programs

**Support Services Only:** Coordinated Entry

**Transitional Housing:** up to 12 months of assistance in specific location with connected services
  - two TH projects – statewide (Newport/Bennington)

**Planning:** only Collaborative Applicant can apply/receive funds to support CoC activities

**Rapid Rehousing:** quick transition from shelter/street into permanent housing with temporary rent subsidy & voluntary services with low barrier/housing first practices
  - AHS RRH = Domestic Violence (8 households/units)
  - VSHA RRH = Families/Youth/Individuals (70 HH/units)

**Permanent Supportive Housing** (PSH households/units):
  - Shelter+Care (BraHA = 23, BHA = 56, VSHA = 148)
  - HowardCenter PSH = 7 units
Get Involved!!!

- Attend meetings of the full CoC Membership and/or the CoC Board of Directors
  *Vermont Coalition to End Homelessness and Chittenden Homeless Alliance*
- Participate in Committees & Workgroups: annual PIT count, VT HMIS Advisory Board, Coordinated Entry planning, legislative priorities, NOFA committee, etc.
- Other ways to help: volunteer at a local shelter, Homeless Vigils, advocate, donate, etc.

http://helpingtohousevt.org/
Housing 102

Vermont Statewide Housing Conference

Sarah Phillips, Chief Administrator
Office of Economic Opportunity
Homeless Assistance – How it All Works

State Programs & Resources

- Housing Opportunity Grant Program
- General Assistance Emergency Housing (Motel Vouchers)
- Family Supportive Housing
- Vermont Rental Subsidy
- Other State housing funds (not homeless specific)

Structure & Process

- Funding
- Governor’s (Interagency) Council on Homelessness
  - Vermont Plan to End Homelessness
- Continuums of Care
- Coordinated Entry
  - Housing Review Teams
- HMIS/Point in Time Count
Continuum of Care – Collaboration:

- Assess capacity & ID gaps
- Develop proactive solutions vs reactive stop-gaps
- ID common goals to advocate
- ID resources needed
- Coordinate & Link
A Homeless “Continuum of Care”?

*Crisis response system with pathways to permanent housing & links to mainstream resources*

- Outreach
- Assessment to identify service and housing needs and provide a link to the appropriate level of both
- Prevention & Diversion
- Emergency Shelter: immediate, temporary, safe place to sleep
- Transitional Housing, where appropriate
- Rapid Re-housing and Permanent Supportive Housing
Coordinated Assessment for families with a housing crisis

Targeted Prevention and Diversion

- Family retains housing or gains new housing, bypassing shelter

Temporary Shelter

- Crisis Stabilization & Housing Search Support
- Family exits shelter on own

Temporary Re-housing & Links to Services

- Family does not find housing within short period, (e.g. 7-10 days)

Rapid Re-housing with Services

- Family for whom RRH and/or TH is unsuccessful and have high needs

Families with highest needs

Community-Based Permanent Housing

- Includes market rate and subsidized

Community-Based Services and Supports

Permanent Supportive Housing
In Vermont...

Outreach
- PATH (DMH) Providers—e.g., Shelter, Community Mental Health Agency, Safe Harbor

Assessment...Coordinated Entry

Prevention & Diversion
- Community Action Agencies, Homeless Prevention Center, COTS Housing Resource Center, etc. (HOP-funded)

Emergency Shelter
- Year-round shelters, seasonal warming shelters, domestic violence shelters, youth shelter/programs, emergency housing apartments, General Assistance motels

Transitional Housing
- Transitional Living Program for youth

Rapid Re-housing and Permanent Supportive Housing
- HOP and CoC-funded programs, Vermont Rental Subsidy, Shelter + Care, Family Supportive Housing
Housing Opportunity Grant Program

Funding for community organizations who help people in crisis to find or keep stable, safe housing

- $6.2 million of state and federal funding (current year)
  - Emergency Shelter: Year-round and seasonal emergency shelters; day shelters; domestic violence shelters; apartment stays for families
  - Transitional housing for youth & vets
  - Homelessness prevention
  - Rapid re-housing programs

- OEO partners with over 40 programs

On any given night, 486 people are staying in a shelter, including 114 children

Last year 4,208 people were sheltered: 3,269 adults & 890 children
Housing Opportunity Grant Program

Housing Opportunity Grant Program
including General Assistance Investments
State Fiscal Year 2016

- Emergency Shelter & Services: 25%
- Emergency Shelter & Services - GA Investment: 2%
- Transitional Housing: 26%
- Transitional Housing - GA Investment: 1%
- Rapid Re-housing: 7%
- Homelessness Prevention: 4%
- Innovation & Coordinated Entry: 10%
- HMIS: 0%
Vermont Rental Subsidy

- Rapid Re-housing
- 12 month State-funded Rental Assistance
- Tenant-based, 30% of income towards rent
- Eligibility - 50 % AMI or less
- $1m from the General Fund
- Approx 120 HH: 60% Reach Up, 15% SSI, 90% Families
- Requirements
  - Comply with lease and program guidelines
  - Case management
Family Supportive Housing

- Supportive housing for families experiencing homelessness
- 6 community providers, ~100 families currently
- Blend of general fund and Medicaid
- Program components;
  - Permanent housing (MOU with housing providers)
  - Intensive, home-based services (small caseloads)
  - Financial empowerment support (banking, credit, savings)
- Point in time: 90% of participating families are stably housed
- 20-30% of families with Family Services; 60-80% with Reach Up
Housing First (Principles & Model)

- Ready for Housing vs. Housing First
- Evidence-based model for serving individuals and families who are chronically homeless
- Access to permanent housing as quickly as possible with no time limits and no pre-conditions
- A standard lease agreement to housing – as opposed to mandated therapy or services
- A variety of services are offered to promote housing stability and individual well-being on an as-needed, voluntary basis
- Pathways Vermont first rural model in the nation, supported by DMH and DOC
Other AHS Housing Programs *(not homeless)*

- Department of Mental Health
  - Subsidy + Care
- Department of Corrections
  - Transitional and Re-entry Housing
- Department of Aging & Independent Living
  - SASH
- Department of Health – ADAP
  - Sober Houses (e.g., Phoenix)
A one-night, unduplicated count of people experiencing homelessness
801 Households – 1,117 People

14% of People were Unsheltered

652 Single Adults (58%)

158 Families with Children (41% of total Persons)

73 Unaccompanied Youth (6.5%)
1 Minor & 72 Ages 18-24

95 Parenting Youth (Ages 18-24) & their Children (8.5%)

11% Chronically Homeless

10% Veterans

20% Victims of Domestic Violence

13% People of Color

42% Female
57% Male
3% Transgender
Persons in Vermont's Publicly Funded Homeless Shelters

(2002-2016)

State Fiscal Year

Persons Sheltered

2002: 4,380
2003: 3,940
2004: 3,779
2005: 3,898
2006: 3,880
2007: 3,463
2008: 3,459
2009: 3,559
2010: 3,834
2011: 4,251
2012: 4,244
2013: 4,124
2014: 3,934
2015: 4,303
2016: 4,208
Coordinated Entry – Overarching Goals

- Reorient system to focus on those being served
- Minimize time and frustration accessing help
- Maximize use of system resources
- Identify service gaps for planning
Resources

http://dcf.vermont.gov/oeo/
http://helpingtohousevt.org/
http://www.vtaffordablehousing.org/
http://dcf.vermont.gov/esd/
http://nationalhomeless.org/
http://www.endhomelessness.org/
http://www.nhchc.org/
https://www.hudexchange.info/
https://www.usich.gov/
http://center.serve.org/nche/
http://www.pathwaysvermont.org/
Senior housing in Vermont
Meeting the Need Through Design and a System of Support

2016 VT Statewide Housing Conference
Housing 102
Housing for People With Special Needs

Molly Dugan, Director of SASH
Cathedral Square
www.cathedralsquare.org
www.sashvt.org

Most communities want to create housing for their seniors, Vermont has a history of seniors wanting to live where their roots are and age in place
The Need for Senior Housing

- Vermont has the 2nd highest median age (42.8) second only to Maine.

- Vermont is 4th oldest state with 17% of population over age of 65.

- Greatest growth in households by age is between 65-74- expected to grow by 21% between 2015-2020.

- Cathedral Square wait list- 700.
Design for Changing Needs

Seniors increase in frailty over time. How can housing serve to promote wellness, prevent premature aging, maintain health?

Accessibility
Community Spaces
Location
Access to Transportation
Emergency Call System
SASH!
Accessibility

Roll in shower, Good lighting

Memory Shelf; Way-finding art
Community Spaces

Socialization

Individual & Group Exercise
Location – Close to Amenities & Services
What is SASH?
Housing - A Platform for Good Health Based on Partnerships
SASH is available in 140 Affordable Housing Sites Across the State
What does it mean to be in SASH?

SASH participants become part of a defined community supported to focus on being healthy at home.

Each participant has a SASH Coordinator to help him/her identify their needs and facilitate access to health maintenance and prevention programs.

Every SASH participant is also assigned a Wellness Nurse who provides assessments and health coaching, particularly with chronic conditions.

SASH participants benefit from a collaboration of community partners working together achieving comprehensive community health.
Building the Platform – SASH Team

SASH Care Coordinator

SASH Wellness Nurse

SASH Community
• 70-100 Participants

Housing Organization as Host
What We Do

Care Coordination

- Conducts wellness assessment
- Convenes SASH team
- Understands participants needs and preferences
- Coordinates individual/community healthy living plans

Self Management

- Develops healthy living plan
- Health coaching
- Provides reminders and in person check ins
- Organizes presentations and evidence based programs

Transitional Care

- Coordinates with discharge staff, family and neighbors
- Personal visit to review discharge instructions
- Helps ensure a safe home transition
Who We Serve

- 5,000 Participants
- 80% Medicare
- 25% live in a community setting
- 73% 65 +
- 27% under 65
- Participants span all health care needs
- We have a “no discharge” policy
How We Implement

• Person-centered
• SASH Staff in community
• Formal Partnerships
• Information Sharing
• Prevention and Wellness through Data-driven Healthy Living Planning
SASH Keeps “Katie” in the Driver’s Seat
SASH Staff = Trusted Guides

Consistent presence of SASH Staff and SASH Team builds knowledge and trust.
## Domains of Care Planning

*Below are some key areas for consideration when developing a Healthy Living Plan with a resident.*

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<th>Food &amp; Nutrition Support</th>
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</thead>
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<td>Advocacy &amp; Activism</td>
<td>Isolation</td>
</tr>
<tr>
<td>Education &amp; Employment</td>
<td>Legal Assistance</td>
</tr>
<tr>
<td>Connection</td>
<td>Mental Health Support</td>
</tr>
<tr>
<td>Establish Insurance</td>
<td>Tobacco Cessation</td>
</tr>
<tr>
<td>Establish Provider</td>
<td>Transportation Support</td>
</tr>
<tr>
<td>Family, Personal, Peer</td>
<td>Weight Management</td>
</tr>
<tr>
<td>Support</td>
<td>Wildcard!</td>
</tr>
</tbody>
</table>

*Cathedral Square Corporation*
Data Collection and Use: Key to Integrating Coordinated Care

- Uniform Assessment
- Minimum annual
- Includes Medications, Allergies, Chronic Conditions and more...

<table>
<thead>
<tr>
<th>0-Vitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Participant Information, Emergency Contacts, Provider and Legal</td>
</tr>
<tr>
<td>2-General Health, Wellness and Services</td>
</tr>
<tr>
<td>3-ADL/IADL</td>
</tr>
<tr>
<td>4-Falls</td>
</tr>
<tr>
<td>5-MACH-10 Falls Risk Assessment Tool</td>
</tr>
<tr>
<td>6-Mobility Survey</td>
</tr>
<tr>
<td>7-Nutritional Health Checklist</td>
</tr>
<tr>
<td>8-Cognitive Health Screening</td>
</tr>
<tr>
<td>9-Program Evaluation Activities</td>
</tr>
<tr>
<td>AUDIT</td>
</tr>
<tr>
<td>GAD-7</td>
</tr>
<tr>
<td>Lubben Social Network Scale (LSNS-6)</td>
</tr>
<tr>
<td>PHQ-9</td>
</tr>
<tr>
<td>S-MAST-G</td>
</tr>
</tbody>
</table>
The Rockin’ Walkers
Does the SASH model benefit Health Outcomes?

4 Selected Measures

1. Documented Advanced Directives
2. Shingles Immunization
3. Annual Falls Rate
4. Controlled Hypertension (BP < 140/90)
Documented Advanced Directives

Source: 2014, American Journal of Preventative Medicine
SASH Health Outcomes (Oct 2014 – Apr 2016)

Percent of active SASH participants with Immunizations

Immunizations by Month/Year:
- Shingles
- Pneumococcal
- Seasonal Flu

- Oct 2014
- Apr 2015
- Oct 2015
- Apr 2016
Shingles Immunization

Source: 2011, Journal American Medical Association
Percent of SASH participants who have fallen in the past 12 months

Source: World Health Organization (WHO)
http://www.who.int/ageing/projects/falls_prevention
Controlled Hypertension

Source: 2012, American Health & Drug Benefits
http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4046467/
Number of SASH Participants Reporting Annual Exam

<table>
<thead>
<tr>
<th>Participation Timeframe</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>62%</td>
<td>82%</td>
<td>88%</td>
</tr>
</tbody>
</table>
Does the SASH Model Help Control the Growth of Health Care Expenditures?

- January 2016
- SASH sample size = 1602
- 3 years of implementation
- Growth in annual Medicare expenditures was statistically significantly lower, by an estimated $1,536 per beneficiary, in early panels
Questions
Contact Information

Molly Dugan, SASH Director
dugan@cathedralsquare.org

Cathedral Square
sash@cathedralsquare.org

www.SASHVT.org
Financing Affordable Homeownership
Vermont Housing Finance Agency

Affordable Homes for a Sustainable Vermont.
THREE THINGS!!!!!
Financing Affordable Housing
The State’s Housing Finance Agency

Created in 1974 by the State Legislature, and tasked with assisting low-to-moderate income Vermonters in obtaining affordable housing. VHFA offers Mortgage Programs that are purposed to fill gaps in the Vermont lending landscape.

Alexandra, Meghan, Cole, Joe, and Isabella – St. Albans

We are here to help lenders finance homes for Vermonters

Affordable Homes for a Sustainable Vermont.
Clearing Two Hurdles: Getting into the Home …Being Comfortable Later!

- VHFA focuses on eliminating upfront barriers to homeownership, and then making long-term affordability sustainable!

<table>
<thead>
<tr>
<th>Getting into the home</th>
<th>Long-term affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td>First &amp; Non-First Time Homebuyers</td>
<td>WYSIWYG!!!</td>
</tr>
<tr>
<td>Financing up to 100% of purchase</td>
<td>Only 30 Year Fixed Rates</td>
</tr>
<tr>
<td>Limitation on upfront fees</td>
<td>Low Rates (as low at 3.125%!)</td>
</tr>
<tr>
<td>No Loan Level Pricing Adjustments!</td>
<td></td>
</tr>
<tr>
<td>Down Payment &amp; Closing Cost Assistance</td>
<td>Mortgage Credit Certificates</td>
</tr>
<tr>
<td>$825 savings on Property Transfer Tax</td>
<td>Lower Mortgage Insurance Payments</td>
</tr>
</tbody>
</table>

Affordable Homes for a Sustainable Vermont.
Quick Program/Product Structure

Understanding MOVE, MOVE MCC, and Advantage
General Process Flow

**Participating Lender**
- Originate Loans that are eligible for VHFA Programs.
- Underwrite Loans that qualify for Conventional or Government Products.
- Deliver loans to U.S. Bank for Purchase.

**VHFA**
- Accepts Reservation from Lender.
- Sets terms of the transaction.
- Reviews for eligibility compliance.
- Create differentiated benefits.

**U.S. Bank**
- Review Delivered Loan Packages.
- Purchase loans and provide lender with Servicing Release Premium.
- Service Loans

Affordable Homes for a Sustainable Vermont.
Three First Mortgage Options for Lenders

VHFA Programs

First Mortgage Program Options

MOVE
Conventional and Government Loan Products, may include ASSIST Loans

Advantage
Conventional and Government Loan Products, may include ASSIST Loans

MOVE MCC
Conventional and Government Loan Products, includes MCC & may include ASSIST Loans

MCC with Lender Product
Lender Financed First Mortgage, Lender sources the financing, not VHFA
VHFA Programs are combined with Products

- Conventional and Government Products.
- Participating Lenders originate loans that are deliverable or Insurable through Fannie Mae, Rural Development, FHA, and the Veterans Administration.
Interest Rate Options:

### Advantage & MOVE MCC:

<table>
<thead>
<tr>
<th>Product</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td>TBD</td>
</tr>
<tr>
<td>Government (RD, FHA, VA)</td>
<td>TBD</td>
</tr>
</tbody>
</table>

### MOVE: $20 Million Pool of Funds

<table>
<thead>
<tr>
<th>Product</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td>TBD</td>
</tr>
<tr>
<td>Government (RD, FHA, VA)</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Affordable Homes for a Sustainable Vermont.
Compliance and Qualification

General & Program Options Compliance Requirements

Affordable Homes for a Sustainable Vermont.
### Three Levels of Qualification and Eligibility

<table>
<thead>
<tr>
<th>Source of Guidelines:</th>
<th>VHFA Conventional Loan Products</th>
<th>VHFA Government Loan Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>VHFA Program Level</td>
<td>VHFA Program Compliance Guidelines</td>
<td>VHFA Program Compliance Guidelines</td>
</tr>
<tr>
<td>Product Level</td>
<td>Fannie Mae Product Underwriting Guides</td>
<td>Government Insurer Product Underwriting Guidelines: Rural Development, FHA, or VA</td>
</tr>
<tr>
<td>Mortgage Insurance</td>
<td>Mortgage Insurer Guidelines and Requirements</td>
<td></td>
</tr>
</tbody>
</table>

**Program Level:** VHFA Compliance Guidelines are different for each Program. Be sure you are following the correct Compliance Guidelines for the applicable Program choice…MOVE, MOVE MCC, Advantage

**Product Level:** What does Fannie Mae Require? What do the Rural Development guidelines say?

**Mortgage Insurer:** If you are using a Conventional Product, you must obtain the required Mortgage Insurance. HFA-specific guidelines may apply.
Compliance Eligibility Guidelines that apply to all VHFA Loans

Types of Transactions VHFA Covers

• Purchase Transactions only!
  • New money purchase, cannot be buying out a co-owner, etc.

• Purchase of a Primary Residence
  • The property must be purposed as a full-time Primary Residence for all borrowers.

• Purchases that include borrower(s) that will be full-time residents of the property.
  • Non-Occupant Co-signers are not permitted.
Eligibility Guidelines that apply to all VHFA Loans

Properties Details for all VHFA Programs

- VHFA can finance one and two unit properties:
  - Single Family Homes
  - Condos
  - Two-Unit Properties that are owner occupied in one unit
    - Property must be at least 5 years old, and both units must have been purposed as living domiciles for previous 60 months.

- Manufactured Housing is not permitted through any VHFA Program.
  - Modular may be permitted if it meets the Mortgage Insurer/Product Guidelines.
  - No components of a Manufactured Home may be used in construction of property.

- No Other Real Estate Owned
  - Exceptions: vacant land, commercial/industrial, camps that are not inhabitable year round, MH in park.
Eligibility Guidelines that apply to all VHFA Loans

Properties Details for all VHFA Programs

• VHFA does not maintain Project Eligibility Guidelines or Lists
  • If the Project is accepted by the Product Guidelines/Process, it will be acceptable to VHFA.

• Maximum Property Size = 15 Acres

• Repairs Escrows only permitted for weather related delays in completion.

• Otherwise, VHFA can be used to finance properties that meet Product Guidelines
  • Conventional Market: Fannie Mae & Freddie Mac
  • United State Department of Agriculture Rural Development, Guarantee Program
  • Federal Housing Administration (FHA)
  • Veterans Administration (VA)
First Time Homebuyer Requirement
(MOVE, MOVE MCC, MCC Only!)
The majority of Vermont is not limited to First Time Homebuyer requirements!

The following counties are limited to FTHs:

- Addison County
- Bennington County
- Chittenden County (except for Census Tract 4)
- Grand Isle County
- Windsor County

What FTH Really Means: No ownership interest in a principal residence within the last three years. The Lender is responsible for obtaining and examining copies of executed, as-filed income tax returns for all Borrowers and a non-borrowing spouse, for the previous three years to verify the requirement is met.
Items that are dependent on Program & County

Some compliance criteria is different between Programs & Counties

• By Program:
  • Credit Score – 640 absolute minimum.
  • DTI Maximums:
    • 45% for all Government & Conventional Loans
    • 36% for all Borrowers using Non-Traditional Credit
    • Conventional Loans above 95% LTV Single Family Homes only.

• By County:
  • First Time Homebuyer definition
    • Program options now exist in every Vermont County for non-FTH!
  • Income and Purchase Price Limits
## Program Income and Purchase Price Limits

**Effective August 1**st, 2016

### Advantage Program

<table>
<thead>
<tr>
<th>Area</th>
<th>Income Limit 2 or fewer persons</th>
<th>Income Limit 3 or more persons</th>
<th>Purchase Price Limit 1-Unit Property</th>
<th>Purchase Price Limit 2-Unit Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Vermont Counties</td>
<td>$100,000</td>
<td>$125,000</td>
<td>No Limit</td>
<td>No Limit</td>
</tr>
</tbody>
</table>

### MOVE, MOVE MCC and MCC

<table>
<thead>
<tr>
<th>Area</th>
<th>Income Limit 2 or fewer persons</th>
<th>Income Limit 3 or more persons</th>
<th>Purchase Price Limit 1-Unit Property</th>
<th>Purchase Price Limit 2-Unit Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addison County</td>
<td>$73,000</td>
<td>$84,000</td>
<td>$250,500</td>
<td>$300,000</td>
</tr>
<tr>
<td>Bennington County</td>
<td>$70,000</td>
<td>$80,500</td>
<td>$261,300</td>
<td>$300,000</td>
</tr>
<tr>
<td>Burlington Targeted Area – Census Tract #4</td>
<td>$95,000</td>
<td>$110,000</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Caledonia</td>
<td>$84,000</td>
<td>$98,000</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Chittenden County</td>
<td>$84,000</td>
<td>$96,500</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Essex County</td>
<td>$84,000</td>
<td>$98,000</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Franklin County</td>
<td>$95,000</td>
<td>$110,000</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Grand Isle County</td>
<td>$84,000</td>
<td>$96,500</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Lamoille County</td>
<td>$84,000</td>
<td>$98,000</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Orange County</td>
<td>$84,000</td>
<td>$98,000</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Orleans County</td>
<td>$84,000</td>
<td>$98,000</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Rutland County</td>
<td>$84,000</td>
<td>$98,000</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Washington County</td>
<td>$87,000</td>
<td>$100,000</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Windham County</td>
<td>$84,000</td>
<td>$98,000</td>
<td>$300,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Windsor County</td>
<td>$73,000</td>
<td>$84,000</td>
<td>$255,500</td>
<td>$300,000</td>
</tr>
</tbody>
</table>
Understanding Unique Benefits

ASSIST, MCCs, Property Transfer Tax, MI, and LLPAs
2015 Economic Development Bill (S.138) included a provision that allows VHFA to sell Tax Credits for the purpose of providing Down Payment and Closing Cost Assistance for Vermonters.

In 2016, Legislature doubled down for a total of seven years of funding!
ASSIST Structure

What is an ASSIST Loan?

- A Second Mortgage loan – that is secured by a note and mortgage deed
- 0% Interest Rate
- No Monthly Payment
- Up to $5,000 for down payment or closing costs
  - Final permissible amount is determined by two limitations:
    - Combined Loan To Value Ratio (CLTV) may not exceed 105%
    - Borrowers may not leave transaction with a net cash gain
Availability and Permitted Uses

• ASSIST Loans may be paired with each VHFA Program: MOVE, MOVE MCC, Advantage.

• ASSIST loans may be paired with all products: Conventional and Government.

• Flexible in use:
  • Ineligible use = Prepaid Interest
  • Any other normal and customary closing costs or down payment requirement are permitted uses.
  • May be used to cover items paid outside closing – as long as lender can document that expense on the HUD/Closing Disclosure.
Long-term Implications for borrowers:

- ASSIST Loans must be repaid:
  - Upon Refinance of the VHFA first mortgage – VHFA will not subordinate to a new first mortgage
  - Upon sale or transfer of the property

- The Second Mortgage must remain in second place (no subordinations)
  - Second Mortgage is serviced by VHFA, borrowers will receive an annual statement reminding them the loan exists

- No increase to the first mortgage interest rate!
Three unique requirements

- First Time Homebuyer Requirement
- Pre-Purchase Asset Limitation
- General First Mortgage Program Compliance Education Requirement

Affordable Homes for a Sustainable Vermont.
Three Unique Compliance Requirements

For all borrowers seeking Down Payment & Closing Cost Assistance

• **First Time Homebuyers**: Borrowers and Non-borrowing Spouses must be **TRUE** First Time Homebuyers.
  
  • Trumps general VHFA requirement of county and timing of previous ownership.

• **Asset Limitation**: May not have greater than $30,000 in liquid or easily convertible cash assets.
  
  • Does not include retirement accounts like 401k, 403b, or IRAs.
  
  • Can be exceptions for extreme circumstances.

• **Homebuyer Education**: One borrower must complete a HUD-Approved Homebuyer education class.
  
  • Online or in person through NeighborWorks or other HUD-Approved agencies.
Mortgage Credit Certificates

What is a Mortgage Credit Certificate?

- MCCs create a tax credit for borrowers that reduces the amount of federal tax liability in a year, dollar-for-dollar. Related to the amount of Interest paid on a mortgage.

- The amount of the credit is determined by a 4 key factors:
  - The MCC Credit Rate: VHFA is offer a 20% Rate.
  - The amount of mortgage interest paid in a year on “Certified Indebtedness”.
  - The given federal tax liability of the “holders”.
  - The Credit Limit, established by the IRS (none in place for our program).

- May be used annually, as long as the original first mortgage related to the MCC is in place and the four factors above are satisfied. Refinances, turning the property into a second home/investment are all causes for the MCC Holder to no longer be eligible for the credit.
Remember MCCs?

Certified Indebtedness: $200,000

Interest Rate: 4%

MCC Percentage: 20%

Total Eligible Credit Amount: $1,600

$1,600 Value as a Credit

$1,600 Value as a Deduction @ 25%

$1,600 - $400 = $1,200

$1,600 - $400 = $1,200

$1,600 - $400 = $1,200
Mortgage Credit Certificate Process for Borrowers

Lenders Obtains Approval for MCC through VHFA

Loan Closes, Lender Collects any fees and documentation

VHFA mails MCC directly to homeowner(s)

Homeowner uses the MCC to file taxes each year

The benefit must be filed annually, using their Mortgage Interest Statement!

Affordable Homes for a Sustainable Vermont.
Property Transfer Tax

Borrowers will save up to $825 using VHFA Programs

<table>
<thead>
<tr>
<th>Taxable Purchase Increments</th>
<th>Rate for VHFA borrowers</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $110,000</td>
<td>0.00</td>
</tr>
<tr>
<td>$110,000 - $200,000</td>
<td>0.0125</td>
</tr>
<tr>
<td>$200,000 – remaining balance</td>
<td>0.0145</td>
</tr>
</tbody>
</table>
Mortgage Insurance for Conventional Product Options

HFAs (like VHFA) received expanded and more relaxed guidelines!

Reduced Mortgage Insurance level requirements for VHFA Conventional Loans (on DU):

- 95.01% to 97.00% - 18% (Typically 35%)
- 90.01% to 95.00% - 16% (Typically 30%)
- 85.01% to 90.00% - 12% (Typically 25%)
- 80.01% to 85.00% - 6% (Typically 12%)

Split and up-fronts premium structures are acceptable, as long as they do not include points paid by borrowers.
Understanding LLPAs and LDFs

- Loan Level Pricing Adjustments are presents for Conventional loans:
  - Fannie Mae: Loan Level Pricing Adjustments
  - Freddie Mac: Loan Deliver Fees

- Conventional market’s way of instituting “risk-based pricing”.

- Fees are either charged up front OR rolled into the rate.

- Borrower profiles that are most impacted: Loan-to-Value Ratio, Credit Score, Property Type, Number of Units.
Benefit & Payment Comparison

We will review current interest rate options during conference session!
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES
What Services Does Rural Development Provide in Vermont?
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Rural Business Provides

Business Development & Cooperative Services

- Farmers Market
- B&I Loan
- Alternative Energy
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Community Programs Provides

- Chelsea Health Center
- Canaan Town Hall & Library
- Tilton – Northfield Fire Truck

Community Facilities
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Rural Utilities Provides

- Broadband
- St. Johnsbury – Water Storage
- Distance Learning/Telemedicine
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Rural Housing Provides

- Family Housing
- Elderly Housing
- Farm Labor Housing

Rental Housing
Rural Housing Provides

- New counter tops
- Roof repairs
- New windows
- Siding

Home Repair and Rehabilitation
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Rural Housing Provides

Direct

Guaranteed

Self-Help

Home Ownership
2015 Accomplishments

<table>
<thead>
<tr>
<th>Program</th>
<th>Project Type</th>
<th>Funds Obligated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Programs</td>
<td>All Types</td>
<td>$7,317,742</td>
</tr>
<tr>
<td>Community Programs</td>
<td>All Types</td>
<td>$142,133,138</td>
</tr>
<tr>
<td>Multi-Family Housing</td>
<td>All Types</td>
<td>8,575,258</td>
</tr>
<tr>
<td>Single Family Housing</td>
<td>Direct Home Loan/Grants</td>
<td>9,985,692</td>
</tr>
<tr>
<td>Single Family Housing</td>
<td>Guaranteed Home Loan</td>
<td>$80,614,462</td>
</tr>
<tr>
<td><strong>Total Funding – All Projects</strong></td>
<td></td>
<td><strong>$248,626,293</strong></td>
</tr>
</tbody>
</table>
Office Locations

- Montpelier Area Office – serves Addison, Chittenden, Franklin, Grand Isle, Lamoille and Washington Counties
  - 802-828-6012

- St. Johnsbury Area Office – serves Caledonia, Essex, Orange and Orleans Counties
  - 802-748-8746

- Brattleboro Area Office – serves Bennington, Rutland, Windham and Windsor Counties
  - 802-257-7878
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

502 Direct Loan Program
Purpose

• To help low-income individuals or households purchase homes in rural areas

• Loan funds come directly from Rural Development to buy, build and repair homes

• We can finance existing homes, modular homes, stick-built new construction, or new manufactured homes, plus existing under our pilot
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Special Forms of Ownership

- Condominium Units
- Community Land Trusts
- Planned Unit Developments
- Leased land
How to Apply

• Contact the Local Office that covers your area of interest

• Complete pre-application form to being the process

  or

• Contact a NeighborWorks Homeownership Center for Loan Packaging Services
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Loan Process

• Pre-Application
• Application – 15 days
• Certificate of Eligibility – 45 days, 2 -30 day extensions
• Complete Homeownership Education
• Find a house
• Close
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Terms

• 30 years for new manufactured homes

• 33 years for all other types of housing

(Up to 38 years if less than 60% of the adjusted median income)
Credit Requirements

• Similar to conventional lenders
• Credit requires a detailed credit analysis
• Adverse credit requires an acceptable explanation
• No credit score / alternative credit verification
Income

- Start with annual household income
  - Adjustments for children, day care expenses, elderly household, etc
- Adjusted income used to determine program eligibility & amount of payment assistance
- The applicant must have a history of receiving stable and dependable income
## Income Limits

<table>
<thead>
<tr>
<th>County</th>
<th>1 – 4 Household</th>
<th>5 – 8 Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addison</td>
<td>$58,650</td>
<td>$77,400</td>
</tr>
<tr>
<td>Chittenden, Franklin &amp; Grand Isle</td>
<td>$65,700</td>
<td>$86,700</td>
</tr>
<tr>
<td>Bennington</td>
<td>$51,750</td>
<td>$68,300</td>
</tr>
<tr>
<td>Caledonia, Essex &amp; Orleans</td>
<td>$51,750</td>
<td>$68,300</td>
</tr>
<tr>
<td>Lamoille</td>
<td>$54,900</td>
<td>$72,450</td>
</tr>
<tr>
<td>Orange</td>
<td>$53,450</td>
<td>$70,559</td>
</tr>
<tr>
<td>Rutland</td>
<td>$52,550</td>
<td>$69,350</td>
</tr>
<tr>
<td>Washington</td>
<td>$59,100</td>
<td>$78,000</td>
</tr>
<tr>
<td>Windham</td>
<td>$52,400</td>
<td>$69,150</td>
</tr>
<tr>
<td>Windsor</td>
<td>$58,550</td>
<td>$77,300</td>
</tr>
</tbody>
</table>
Repayment Income

- Used to determine how much applicant qualifies for

- Only consider the income from the applicants who will sign the promissory note
## Maximum Loan Amount

<table>
<thead>
<tr>
<th>County</th>
<th>Loan Limit</th>
<th>County</th>
<th>Loan Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addison</td>
<td>$228,000</td>
<td>Lamoille</td>
<td>$204,000</td>
</tr>
<tr>
<td>Bennington</td>
<td>$192,600</td>
<td>Orange</td>
<td>$192,600</td>
</tr>
<tr>
<td>Caledonia</td>
<td>$217,500</td>
<td>Orleans</td>
<td>$217,500</td>
</tr>
<tr>
<td>Chittenden</td>
<td>$299,000</td>
<td>Rutland</td>
<td>$202,600</td>
</tr>
<tr>
<td>Essex</td>
<td>$197,200</td>
<td>Washington</td>
<td>$239,000</td>
</tr>
<tr>
<td>Franklin</td>
<td>$264,000</td>
<td>Windham</td>
<td>$212,600</td>
</tr>
<tr>
<td>Grand Isle</td>
<td>$224,000</td>
<td>Windsor</td>
<td>$208,600</td>
</tr>
</tbody>
</table>
Compensating Factors

- Payment history
- Savings history
- Job prospects
- Adjustment of nontaxable income
Key Elements

• No down-payment is required
• Loan payments are subsidized and are based on income
• The effective interest rate can go as low as 1%
• Families must be without adequate housing
Key Elements

- Existing House – Obtain a whole house inspection
- Lead Based Paint
- State Historic Preservation Office
Property Requirements

- In ground swimming pools and structures such as farm related outbuildings or land designed for income-producing purposes are prohibited.
- Private roads are not eligible, unless the access is served by an association.
- Home based operations such as a day care that do not require specific features are allowed.
Recapture

• The lower of:

  The full amount of subsidy provided or

  Up to 50% of the value appreciation (minus capital improvements)
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

REO Purchase

http://www.resales.usda.gov/properties.cfm
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Rural Housing Programs
Guaranteed Rural Housing Loan Program
Guaranteed Rural Housing

Program Background

• Started in 1991

• Over $688 million worth of GRH loans in Vermont
### Guaranteed Income Limits

<table>
<thead>
<tr>
<th>County</th>
<th>1-4 Household</th>
<th>5-8 Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addison</td>
<td>$84,300</td>
<td>$111,300</td>
</tr>
<tr>
<td>Chittenden, Grand Isle &amp; Franklin</td>
<td>$94,450</td>
<td>$124,650</td>
</tr>
<tr>
<td>Lamoille</td>
<td>$78,900</td>
<td>$104,150</td>
</tr>
<tr>
<td>Washington</td>
<td>$84,950</td>
<td>$112,150</td>
</tr>
<tr>
<td>Windsor</td>
<td>$84,150</td>
<td>$111,100</td>
</tr>
<tr>
<td>All other counties</td>
<td>$77,350</td>
<td>$102,100</td>
</tr>
</tbody>
</table>
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Major Advantages

• Partner with private sector lenders
  • Can combine GRH with VHFA
• Can be combined with most DPA’s
• 101% of appraised value
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Major Advantages

• Not limited to first time home buyers
• No Pre-Payment Penalties
• Quick Turn Around Time
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Loan Terms

• Zero Down
• 30 year fixed rate mortgage
• Market Interest Rate
• Seller Concessions allowed up to 6%
• No PMI – 0.35% annual fee
Applicant Eligibility

- Moderate Income Families
  - $77,350 - $94,450 for a family of one to four in Vermont
- Repayment Ratios 29% and 41%
  - Ratio Waivers available 32/44 maximum
- GUS can approve higher
Applicant Eligibility

• Good credit history
• Compensating factors allowed
• No minimum credit scores
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Eligible Loan Purposes

- New or existing stick build, or modular houses
- New manufactured units, or existing under the pilot
- Condominiums
Eligible Loan Purposes – costs/fees

- Most application/processing/closing costs
- Appraisal and inspection fees
- Required repair cost
Property Issues

- Conventional Appraisal
- Home must meet HUD Handbooks
- Site value not more than 30% of appraised value—no longer an issue!!!
Property Issues

- Outbuildings – allowed as long as not income producing
- In ground Pools – allowed
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

Property Eligibility

- All Counties have eligible area
- http://eligibility.sc.egov.usda.gov/eligibility/welcome
Guaranteed and Direct Loans in FY 15

$90,229,726

574 loans
SELLING MORE RURAL DEVELOPMENT FINANCED HOMES

2015 Commissions @ 6%

$5.4 Million!!!
Rural Development Contacts

- Colleen Ladew  (603) 223-6039
- Jill Chapman  (802) 828-6022
- Mike Urban   (802) 828-6013

www.rd.usda.gov/vt
QUESTIONS
VERMONT HOMEOWNERSHIP CENTERS

PRESENTED BY ELIZABETH BRIDGEWATER, DIRECTOR OF HOMEOWNERSHIP, WINDHAM & WINDSOR HOUSING TRUST
HOMEOWNERSHIP CENTER GOALS

- TO BE AN IMPARTIAL SOURCE OF INFORMATION, EDUCATION AND ONGOING SUPPORT AS OUR CUSTOMERS NAVIGATE THE HOME BUYING PROCESS.
- TO MAKE HOMEOWNERSHIP MORE ACCESSIBLE TO EVERYONE IN OUR COMMUNITIES.
- TO SUPPORT LONG-TERM SUCCESSFUL AND SUSTAINABLE HOMEOWNERSHIP.
- TO MAINTAIN PERPETUALLY AFFORDABLE HOUSING OPPORTUNITIES WITHIN OUR COMMUNITIES.
WHAT WE DO

Post Purchase Support

Home Purchase
Home ownership Education & Counseling

Financial Literacy

Home Repair Loans
Budget Counseling & Financial Literacy
Foreclosure Prevention & Mortgage Modification Support

Home Buyer Education
Credit Review
Access to Grants & Special Programs
Notification of Shared Equity Sales
Fee for Service Loan Packaging

Credit Repair
Goal Setting
Budget Development
Ongoing coaching
FINANCIAL LITERACY

- COLLEGE STUDENTS
- HIGH SCHOOL STUDENTS
- RENTERS IN OUR OWN MULTI-FAMILY HOUSING UNITS
- GENERAL POPULATION
- OTHER SPECIAL GROUPS

Money “habitudes”          Credit Scores          Budgets
EDUCATION & COUNSELING

- EIGHT HOUR CLASS (TRADITIONAL & ONLINE)
  - OVERVIEW OF THE ENTIRE HOME BUYING PROCESS
  - GUEST SPEAKERS INCLUDE REALTOR, BANKER, HOME INSPECTOR, LAWYER

- FOLLOW-UP COUNSELING
  - CREDIT PULL
  - CALCULATE AFFORDABILITY
  - DEVELOP BUDGET
  - REVIEW LISTING SHEETS AND STRATEGIZE ON OFFERS

- RECEIPT OF CERTIFICATE
  - ACCESS TO SPECIAL PROGRAMS (SUBJECT TO ELIGIBILITY)
POST PURCHASE SUPPORT – HOME REPAIR

• LOANS UP TO $20,000
• DEFERRED & AMORTIZING
• VARYING INTEREST RATES
• FOCUS ON HEALTH & SAFETY, ACCESSIBILITY AND ENERGY EFFICIENCY
  • ROOFS, ELECTRICAL SYSTEMS, SEPTIC, BOILERS,
  • HOT WATER HEATERS, BATHROOM UPGRADES
• HOME REPAIR SPECIALIST HELP DEVELOP SCOPE, HELP HOMEOWNERS BID THE PROJECT AND OVERSEE THE WORK
POST PURCHASE SUPPORT - COUNSELING

- FILING HOMESTEAD DECLARATIONS
- DISPUTING TAX VALUATION
- MORTGAGE MODIFICATIONS
- STRATEGIZING ON WHETHER TO SELL HOME
- BUDGET DEVELOPMENT
WHERE ARE WE LOCATED?

The NeighborWorks® Alliance of Vermont is made up of five local organizations offering full affordable housing services. NeighborWorks® offers national certification, funding and statewide programs delivered through local non-profits.

STATEWIDE SERVICES

HOME CREDIT AND FINANCE
- Home purchase and budgeting course
- Foreclosure or delinquency prevention or intervention
- Advocacy with lenders, insurance, FEMA, and other flood programs
- Hazard mitigation buyout assistance

HOME REHAB SERVICES
- Help with job costing, bidding, and inspection
- Grants and affordable loans for qualified applicants
- Referral to other sources and programs
- Special pre-loan programs

HOME LOANS AND GRANTS
- One stop for all repair funding programs
- Weatherization and energy efficiency
- Post-loan repairs and replacement
- Mobile home repair and replacement

LOCAL GROUPS

Burlington
48 Elm Street, PO Box 259
Burlington, VT 05401
(802) 862-6244 | Website

Champlain Housing Trust
88 King Street, Burlington, VT 05401
(802) 862-6244 | Website

Central Vermont Community Land Trust
107 North Main Street, Barre, VT 05641
(802) 476-6493 | Website

NeighborWorks® of Western Vermont
110 Main Street, West Rutland, VT 05777
(802) 438-2393 | Website

Windham & Windsor Housing Trust
68 Birge Street, Brattleboro, VT 05301
(802) 254-4604 | Website

For disaster assistance, call 888-698-8466.

All counseling services are available to the public free of charge.
HOW CAN YOU FIND US?

**Ruraledge:** [www.ruraledge.org](http://www.ruraledge.org)

**Champlain Housing Trust:** [www.getahome.org](http://www.getahome.org)

**Downstreet:** [www.downstreet.org](http://www.downstreet.org)

**Neighborworks® of Western VT:** [www.nwwvt.org](http://www.nwwvt.org)

**Windham & Windsor Housing Trust:** [www.w-wht.org](http://www.w-wht.org)
VERMONT SHARED EQUITY PROGRAM

Presented by Elizabeth Bridgewater
Director of Homeownership, Windham & Windsor Housing Trust
November 15, 2016
WHAT’S IN A NAME?

- Homeland
- Community Land Trust Model
- Shared Equity
- Shared Appreciation

WWHT uses Shared Equity
Program Basics

- Program began in 1991
- A pool of grant funds (subsidies) are held and distributed annually by the Vermont Housing and Conservation Board (VHCB)
- Distributed to 9 Vermont non-profit organizations
- Used to subsidize the purchase of single family homes throughout the state
- One time investment from State of Vermont upon initial purchase
- Subsequent re-sales remain affordable
  - Subsidy rolls over to the next buyer
  - Seller ‘shares’ a portion of the equity with the next buyer
9 PARTICIPATING NON-PROFITS

- Addison County Community Land Trust
- Champlain Housing Trust
- Downstreet Housing & Community Development
- Rural Edge
- NeighborWorks of Western, VT
- Shires Housing
- Twin Pines Housing
- Windham & Windsor Housing Trust
WHO CAN PARTICIPATE

- Mortgage Ready Buyers
- Minimum/Maximum Asset Requirements
- Incomes up to 120% of Area Median Income (AMI)
  - This varies among the programs
- Households intending to occupy the home year round
- Those who have completed a Home Buyer Education Program
## INCOME LIMIT EXAMPLE

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Maximum Income Windham County</th>
<th>Maximum Income Windsor County</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$54,840</td>
<td>$60,840</td>
</tr>
<tr>
<td>2</td>
<td>$62,640</td>
<td>$69,480</td>
</tr>
<tr>
<td>3</td>
<td>$70,440</td>
<td>$86,760</td>
</tr>
<tr>
<td>4</td>
<td>$78,240</td>
<td>$86,760</td>
</tr>
<tr>
<td>5</td>
<td>$84,600</td>
<td>$93,720</td>
</tr>
<tr>
<td>6</td>
<td>$90,840</td>
<td>$100,680</td>
</tr>
</tbody>
</table>
PROGRAM DETAILS

- VHCB provides grants of 20% of the purchase price **UP TO $44,000**
- Grant serves as down payment
  - Buyers avoid PMI
  - Buyers enjoy lower monthly mortgage costs
- Non-profit retains ownership of land, buyer takes ownership of the leasehold improvements.
- Ground lease give owner full rights and responsibility for the use of land
  - Ground lease fee
  - Owners pay taxes on land
NO FREE LUNCH

- Upon re-sale, subsidy is passed on to next buyer
- Seller ‘shares’ 75% of their equity with program/next buyer
- Must live in the house year round
## So How Does It Really Work?

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td><strong>Value At Purchase:</strong>&lt;br&gt;Original value $200,000&lt;br&gt;Subsidy - 40,000&lt;br&gt;Net Price $160,000</td>
</tr>
<tr>
<td>2.</td>
<td><strong>Calculating Equity</strong>&lt;br&gt;New Value $250,000&lt;br&gt;Original Value -200,000&lt;br&gt;Appreciation $50,000&lt;br&gt;% of Equity X .25&lt;br&gt;Owner Equity $12,500</td>
</tr>
<tr>
<td>3.</td>
<td><strong>Sale Price Back to Program</strong>&lt;br&gt;Original Purchase Price $200,000&lt;br&gt;Plus 25% of appreciation 12,500&lt;br&gt;Minus Original Grant 40,000&lt;br&gt;Seller’s Option Price $172,500</td>
</tr>
<tr>
<td>4.</td>
<td><strong>Price to New Buyer</strong>&lt;br&gt;Purchase Price $172,500&lt;br&gt;Transaction Fee $ 7,500&lt;br&gt;Subtotal $180,000&lt;br&gt;Plus Subsidy $ 40,000&lt;br&gt;New Sale Price $220,000&lt;br&gt;Subtract subsidy $ 40,000&lt;br&gt;New Net Price $180,000</td>
</tr>
</tbody>
</table>
WHO BENEFITS?

**Seller**
- Lower monthly costs for duration of homeownership *(Mortgage Payment, No PMI, Lower Taxes)*
- Increase wealth
- Possible graduation to market rate housing

**Next Buyer**
- All of the above
- 25% increase in value of home
- 10% increase in price of home

**Community**
- Retention of younger families
- Minimal community investment
- Community character of housing is preserved
- Economic Diversity is maintained
TWO WAYS TO PARTICIPATE

Buyer Driven
- Buyer Qualifies
- House Qualifies
  - All major systems in good working order
  - Structurally sound
  - Broad marketability
  - Right priced

Re-sales
- Buyer Qualifies
- WWHT Underwrites new buyer
- WWHT Coordinates closing
MARKETING RE-SALES

- Online Marketing (Trulia, Realtor.com, Zillow)
- Organizational Website
- Facebook Ads
- Craig’s List
- Email blast to Stakeholders, graduates of HBE program
- Sometimes newspaper ads
WHAT'S IN IT FOR ME?

**Buyer Realtors**
- Sometimes a realtor referral fee
- Good will and potential referrals from buyers who may not buy market rate anyway

**Lenders**
- Loans with ongoing support from HOCs
  - Foreclosure Prevention work
  - Ongoing problem solving support
  - Maintenance support
# Vermont Shared Equity Homes

<table>
<thead>
<tr>
<th>County</th>
<th># of homes</th>
<th>County</th>
<th># of homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addison</td>
<td>69</td>
<td>Orange</td>
<td>25</td>
</tr>
<tr>
<td>Bennington</td>
<td>28</td>
<td>Orleans</td>
<td>4</td>
</tr>
<tr>
<td>Caledonia</td>
<td>1</td>
<td>Rutland</td>
<td>43</td>
</tr>
<tr>
<td>Chittenden</td>
<td>550</td>
<td>Washington</td>
<td>132</td>
</tr>
<tr>
<td>Franklin and Grand Isle</td>
<td>61</td>
<td>Windsor</td>
<td>84</td>
</tr>
<tr>
<td>Lamoille</td>
<td>11</td>
<td>Windham</td>
<td>85</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>1,093</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Single Family Home, Bellows Falls
Sales Price $110,900
VHCB Subsidy $ 9,333
Net Price to Buyer $101,567

3 Bedroom, 1.5 Bathroom
Renovated Kitchen
Newly Painted Throughout
Excellent Condition
Suburban neighborhood at end of dead end road.
Very private.
FOR SALE RIGHT NOW

Newer condo in West Dover

Sales Price $159,475
VHCB Subsidy $ 43,275
Net Price to Buyer $116,200

2 Bedroom, 1.5 Bathroom
Plenty of basement storage with custom shelving
Exclusive use backyard
Excellent Condition