

# National Housing Trust Fund in Vermont

Creating Rental Units Affordable to  
the Most Vulnerable Residents



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# Vermont Housing & Conservation Board

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- Created by the Legislature in 1987 with “the dual goals of creating affordable housing for Vermonters, and conserving and protecting Vermont’s agricultural land, forestland, historic properties, important natural areas, and recreational lands of primary importance to the economic vitality and quality of life of the State.”(10 V.S.A.15 §302)
- Administers State and Federal funding including State Housing Trust Fund, other State appropriations, HOME, HTF, HOPWA, Lead Hazard Control, and recently ARPA and CRF funds directed towards homelessness and affordable housing.

# Housing Trust Fund Basics

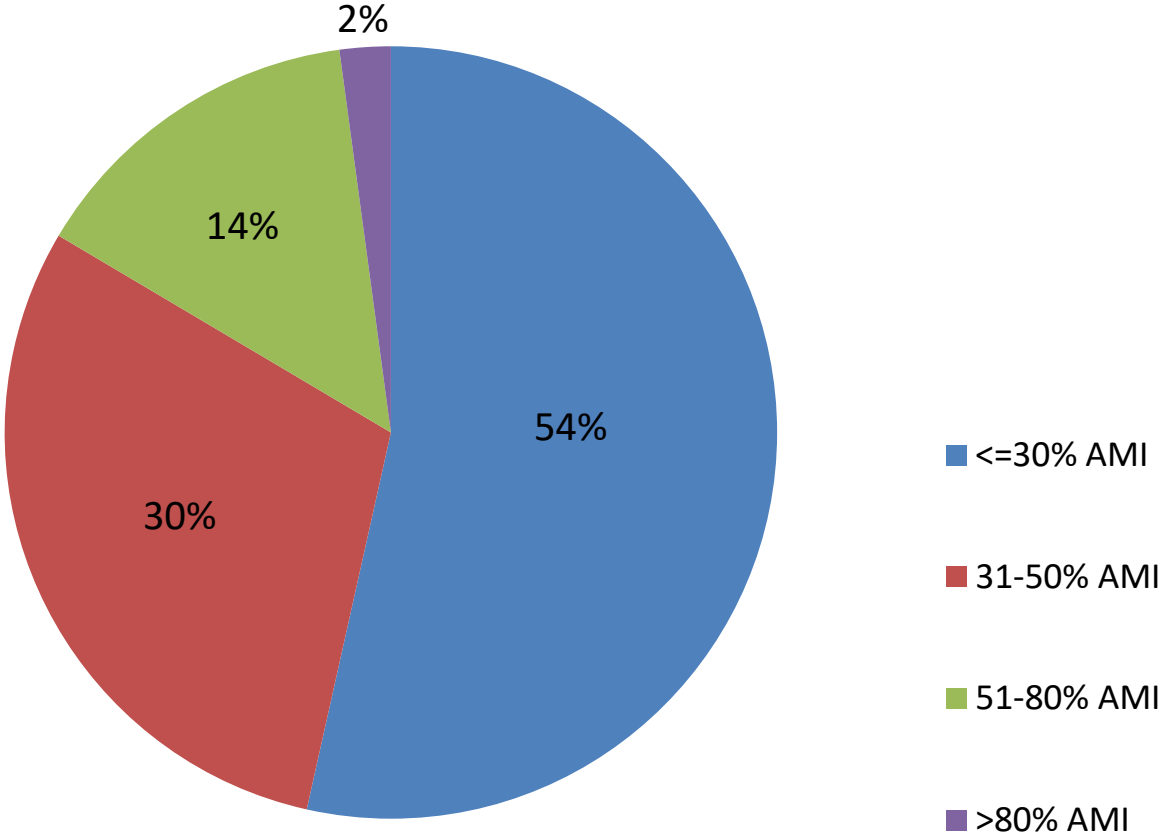
- The HTF was authorized by the “Housing and Economic Recovery Act of 2008” on July 30, 2008, but HTF resources did not become available to states until May 2016
- Distributed to States by HUD using a formula based primarily on the amount of housing available and affordable to extremely low income households
- National Low Income Housing Coalition Report

<https://nlihc.org/sites/default/files/2022-10/nhtf-summary-2018-state-projects.pdf>

# Income Levels of Households Living in VHCB/LIHTC Properties

5,301 Units in 225 Properties

**Percent of Households by Income Category**



# Developing Permanently Affordable Housing

- HTF used along with other funding sources (LIHTC, State funding, other federal) to develop rental housing.
- All projects funded through VHCB include a covenant of permanent affordability.
- Recent State priority to serve households experiencing homelessness (15% of new units).
- Supportive Services.
- HTF not used for: operating subsidies, homeownership, projects where all the units are HTF-assisted.

# Vermont's HTF Allocation Plan - Eligibility

## ➤ **Eligible Applicants:**

- non-profit and for-profit developers, public housing agencies, and municipalities
- must have *experience* and *capacity* to undertake, comply, and manage federal funds with complex requirements

## ➤ **Eligible Costs:**

- development hard costs (new construction and rehab), refinancing, acquisition, and soft costs
- operating assistance and operating reserves are eligible under the regs, but VHCB has not yet used HTF in this way

## ➤ **Awards:** grants or 0% interest 30-yr deferred loans, to maximize affordability

# HTF Application Requirements

- Online common housing application and federal funding supplement
- Pre-application site visit required
- Due dates and board meeting schedule on VHCB website
- ***Threshold criteria:***
  - creation or preservation of permanent rental housing (transitional not eligible)
  - VHCB perpetual affordability via Housing Subsidy Covenant
  - at least one Con Plan housing priority addressed, project must be ready to proceed within 18 months
- Applicants must describe plan and tools to meet portfolio-wide goal of 15% units for homeless

# HTF Selection Criteria

- Ability to obligate funds and undertake activities in a timely manner
- Extent to which the project has a mechanism to keep rents affordable, such as project-based rental assistance
- Duration of affordability period
- Merits in meeting the State's Con Plan priority housing needs:
  - increase supply and quality of affordable housing
  - decrease homelessness
  - strengthen communities and improve quality of life
- Extent of using non-federal funding sources
- Extent of Affirmatively Furthering Fair Housing

# Preferences and Limitations

## ❑ ***Funding Preferences:***

- “permanent supportive housing” with rental assistance and support services for households experiencing homelessness or those at risk
- projects located in downtowns, village centers and other “smart growth” areas
- new units or preservation of affordable subsidized units acquired from private developers

## ❑ **Owners may *limit occupancy or provide preferences*** (although not required) to:

- households experiencing homelessness, people with disabilities, victims of domestic violence, frail elders, veterans
- but must have affirmative marketing procedures and not violate non-discrimination rules

# Challenges to Using HTF

- Rents affordable to extremely low income households
- 30 year affordability period
- Reserves / Capital Needs Assessments (CNA's)
- Rehabilitation Standards
- Environmental Review – differences with HOME program
- Vermont has seen issues with:
  - Wetlands
  - Prime agricultural soils
  - Historic preservation – no demolition allowed
  - Lead in water systems



## HTF used in Historic Redevelopment

The historic Woolson Block in Springfield has been redeveloped to create affordable apartments and transitional housing for at-risk youth above commercial space.



# Woolsen Block Springfield, Vermont

TDC:	\$8.6 million
Total Units:	20
HTF Award:	\$323,476
HTF Units:	2

## Other Funding Sources

LIHTC

Historic Tax Credit

HOME

CDBG

State Trust Funds

Energy Incentives



# Juniper House Burlington, Vermont

TDC: \$6.4 million  
Total Units: 22  
HTF Award: \$1,180,200  
HTF Units: 7

## Other Funding Sources

LIHTC

HOME

State Housing Trust

City of Burlington Trust Fund

Energy Incentives



# Lincoln Place Rutland, Vermont

TDC: \$5.7 million  
Total Units: 19  
HTF Award: \$631,348  
HTF Units: 4

## Other Funding Sources

LIHTC

HOME

Historic Tax Credits

State Housing Trust

CDBG

Energy Incentives



# Red Clover Commons Brattleboro, Vermont

TDC: \$6.1 million  
Total Units: 18  
HTF Award: \$674,400  
HTF Units: 4

## Other Funding Sources

State Housing Trust

VHFA Loan

AHP

HOME

Energy Incentives





# New Avenue Apartments St. Johnsbury, Vermont

TDC: \$14.9 million  
Total Units: 40  
HTF Award: \$843,000  
HTF Units: 5  
Other Funding Sources  
LIHTC  
State Housing Trust  
AHP, CDBG, other financing



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New Avenue Apartments  
St. Johnsbury, Vermont