

VHFA For-Sale Housing Development Programs

Partner meeting, February 19, 2026



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Welcome

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State Homeownership Tax Credit evaluation

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Tax Credit and Middle-Income Program Updates

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Listening session: How could future awards through these programs be more effective?

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Next steps and closing

State Homeownership Tax Credit (SHOTC) Evaluation

Outcomes and Impact, 2009-2025

Scope and methodology

- All homes with disbursements of State Homeownership Tax Credits through 2025.
- Pulled data from settlement statements and other records submitted to VHFA by developer sponsors.
- Buyer information limited to household income, household size and information on settlement statements about the closing.
- Examined resales of shared equity homes through address matching with Vermont Property Transfer data and records provided in December by CHT.

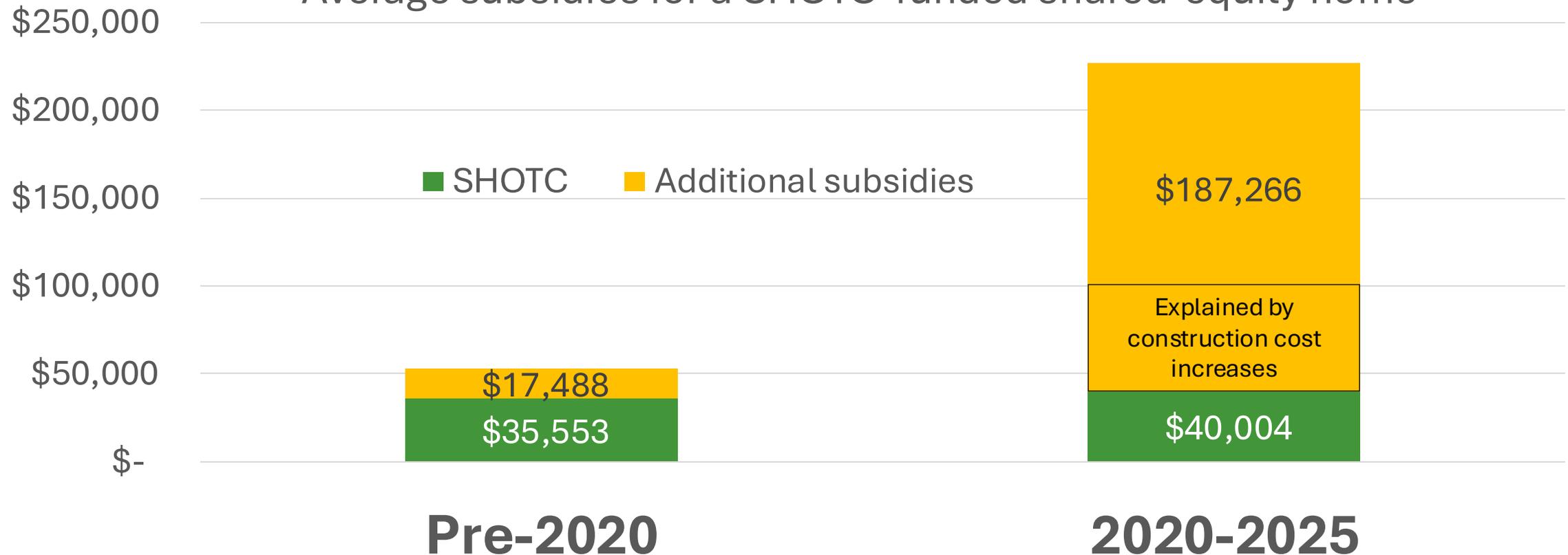
Shared equity homes

- 183 perpetually affordable for-sale homes developed and sold (an average of 10 per year).
 - 60 additional homes awarded but not yet completed.
- \$37,000 - Average cost per home to State of Vermont through SHOTC
- \$121,000 - Average total cost per SHOTC-funded home to State and other funders

SHOTC EVALUATION PRELIM RESULTS

Public costs of SHOTC-funded homes increased dramatically in 2020

Average subsidies for a SHOTC-funded shared-equity home



Additional subsidies are from public and non-profit entities (primarily VHCB, VHFA and CHT).

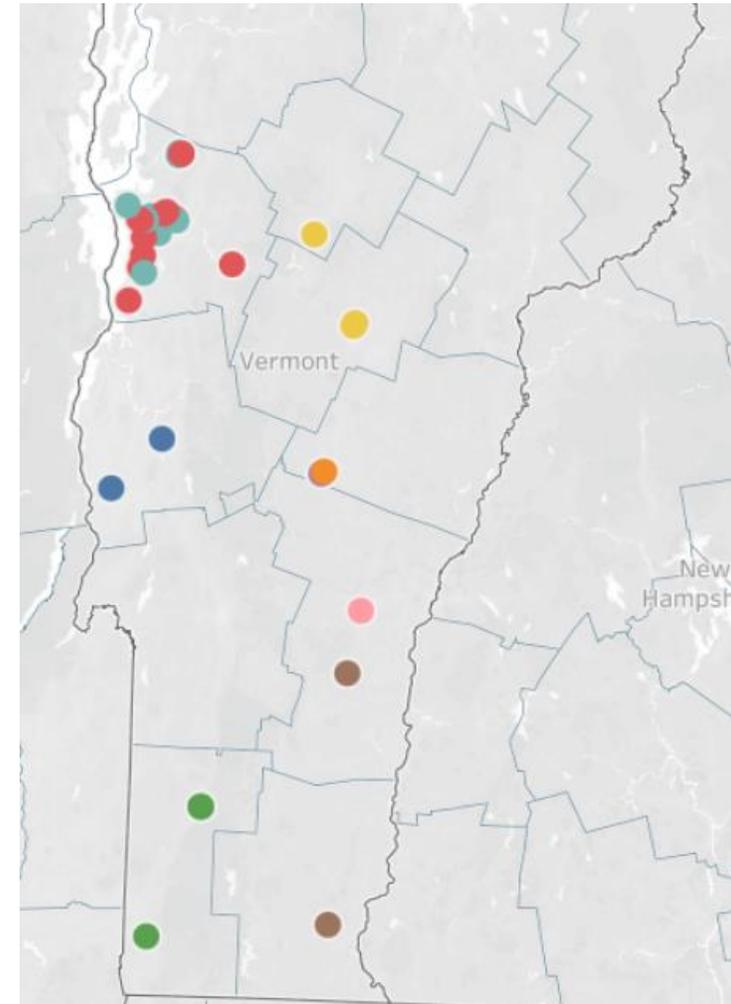
Almost all SHOTC shared equity homes are in Chittenden County

- 80% of the homes developed so far have been in Chittenden County.
- All homes developed in the past 5 years have been in Chittenden County.

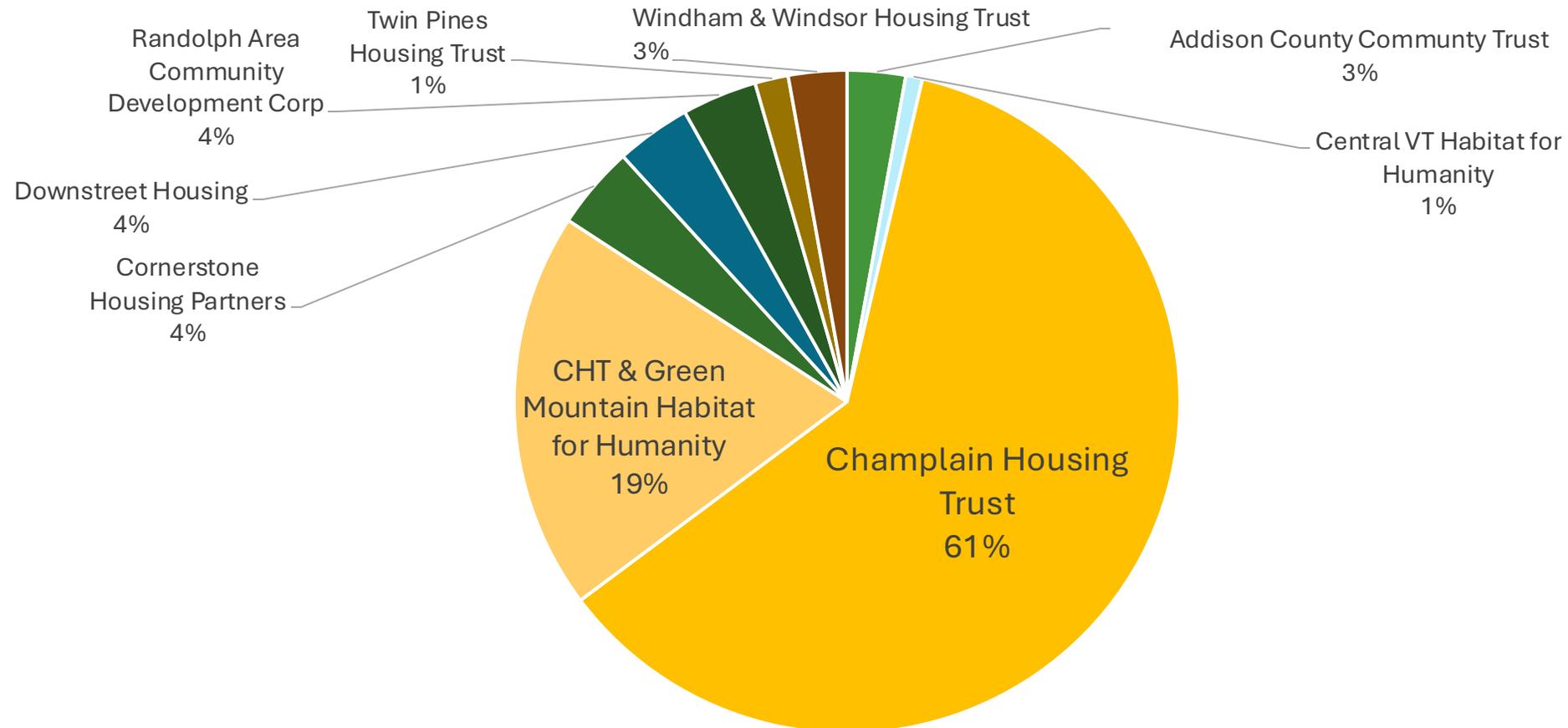
Developer



Location of shared equity homes funded through SHOTC, 2009-2015



Development has been primarily conducted by CHT



SHOTC production compared to market need (5-year look)

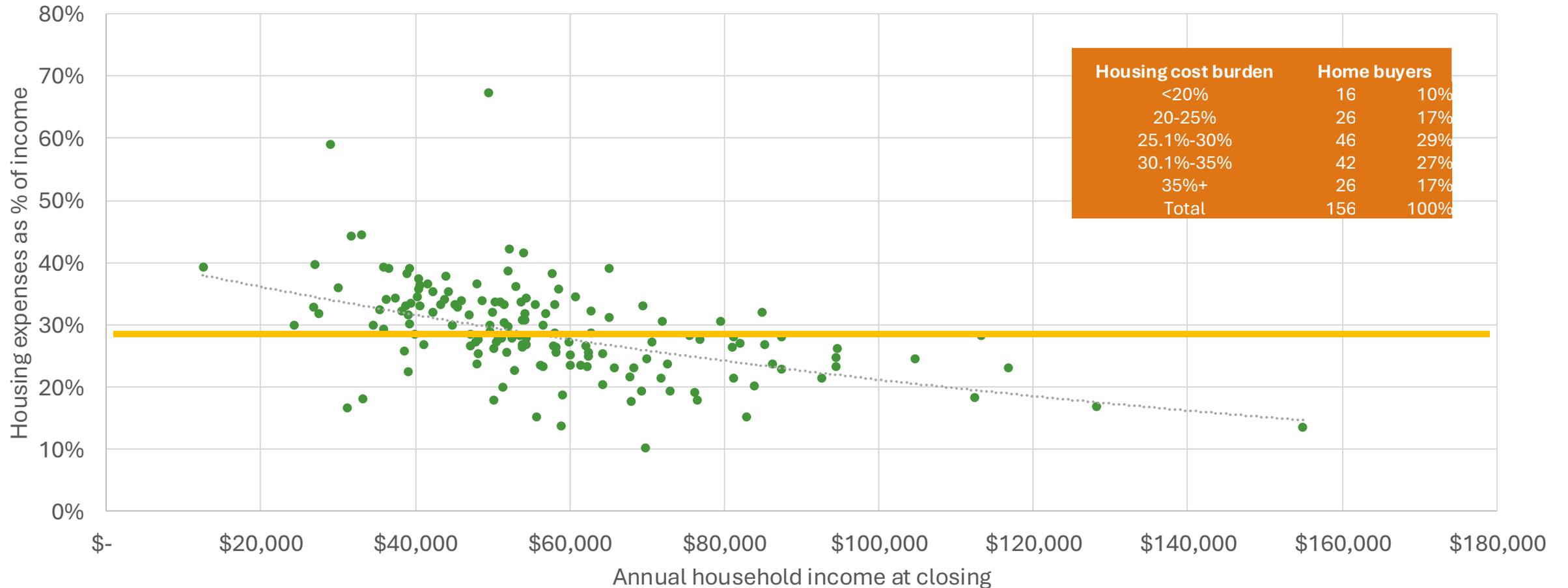
	SHOTC SE homes closed 2020-2024	2025-2029 Owner homes needed <120% AMI	Projected reach at current pace
Chittenden County	49	2,185	2%
Other counties	0	4,700	0%
Vermont	49	6,885	1%

30% affordability standard

- Broad standard applied to affordability of housing
- Used to identify housing needs in research and to standardize government subsidies for housing
- This standard is based on a widely-used assumption that public subsidies should be used to fill affordability gaps that would occur when homeowners will otherwise spend more than 30% of their income for housing.
- This standard has been used for decades for renters in housing funded through public dollars.

SHOTC EVALUATION PRELIM RESULTS

Unlike lower income buyers, most buyers at \$80K+ income received Vermont subsidies dropping their housing “cost burden” below 30%

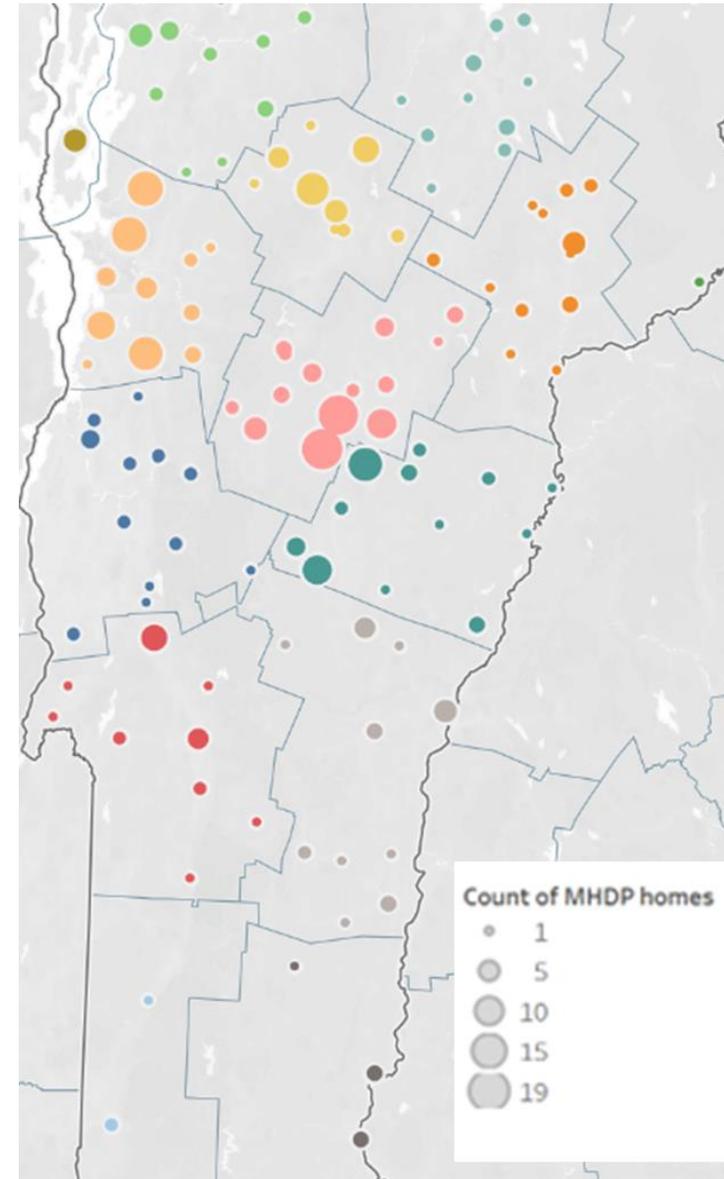
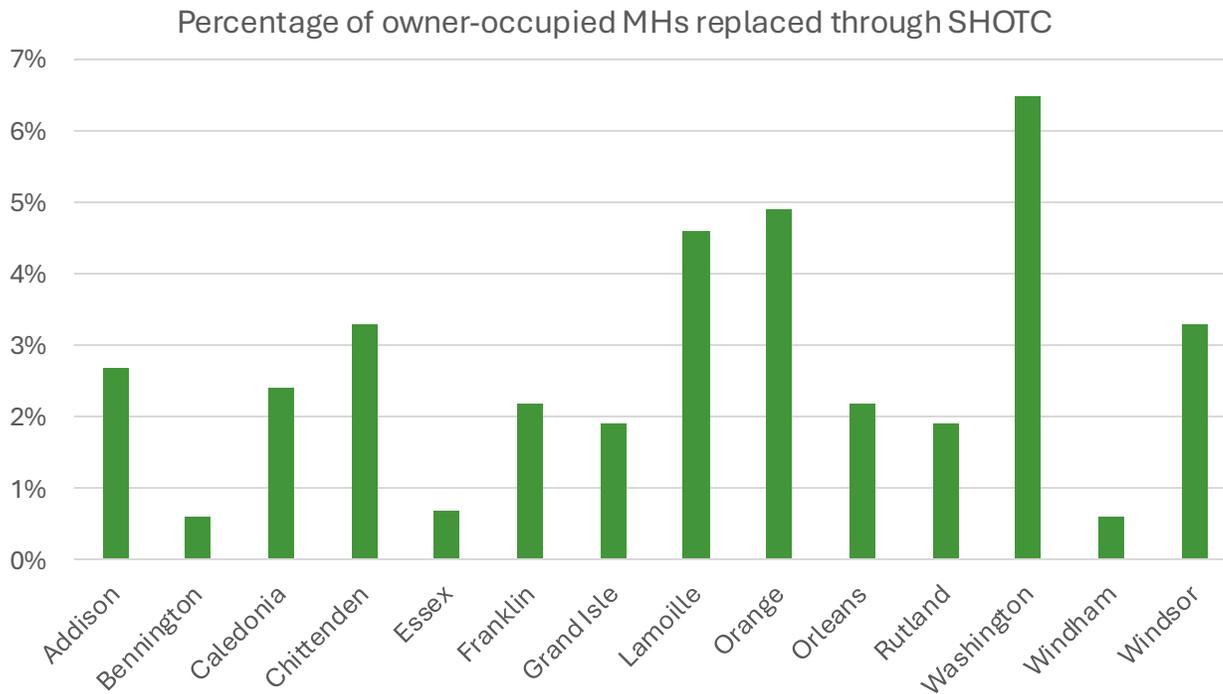


SHOTC Manufactured Housing Replacement Program

- More than 400 manufactured homes replaced
 - 206 in the past 5 years
- \$32,000 average SHOTC subsidy between 2020-2025
- 19% of manufactured homes purchased with the MHDP in the last five years were in Chittenden County (40/206 homes)

SHOTC EVALULATION PRELIM RESULTS

MHs funded through SHOTC have been more geographically dispersed



SHOTC MH production compared to market need

County	Manufactured homes likely in need of replacement	Manufactured homes replaced through SHOTC, 2021-2025	Estimated reach at current pace
Chittenden County	584	40	7%
Other counties	2,938	166	6%
Vermont	3,522	206	6%

Manufactured home need based on number of owner-occupied manufactured homes built between 1960-1979 (ACS 5-year estimates, Table B25127)

Data shortcomings and opportunities for improvement

- Conflicting household income data pertaining to MHDP
- Inconsistent submission of data required
- No timely data on resales provided

Homeownership Development Program Updates

State Homeownership Tax Credit

Middle-Income Homeownership Development programs

State Homeownership Tax Credit (SHOTC)

- Created in 2009*

Funding Amount

Annual Tax Credit Authorization

Tax Credit Amount

\$675,000 ✕ 5-Year Credit = \$3.375 M

\$ Available for Projects (est.) Per Year

\$3,375M ✕ \$0.90 credit price = **\$3.04M**

*A total of \$31,750,000 of tax credits have been authorized since 2009.

Middle Income Homeownership Development Program (MIHDP)

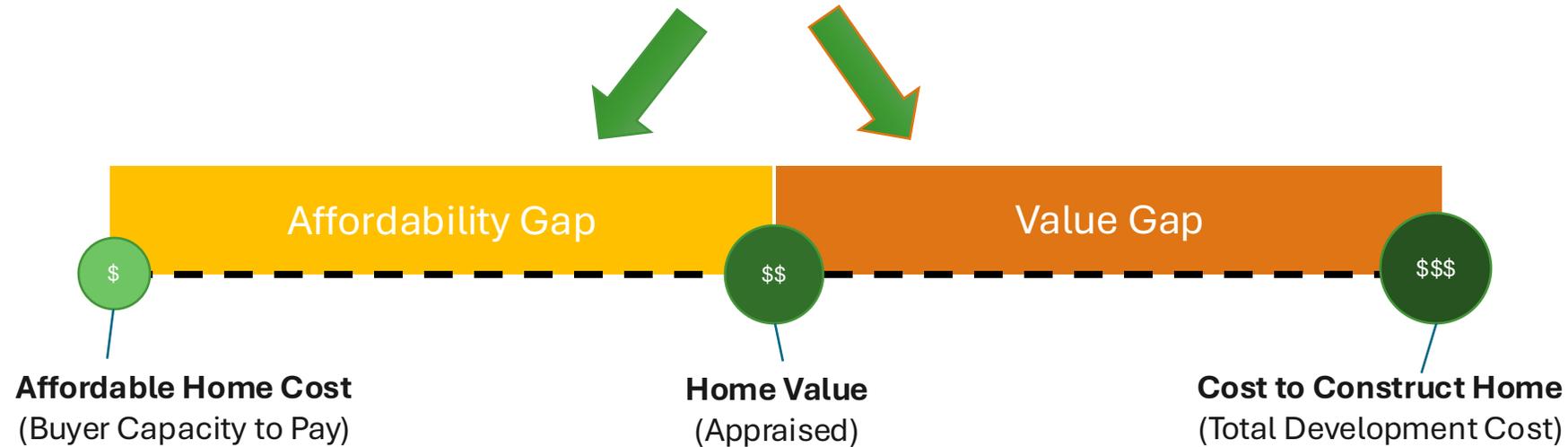
- Created in 2023

Funding Amount

Source	Amount
ARPA*	\$15,000,000
FY2023 Appropriation	\$ 9,000,000
TOTAL	\$24,000,000

*Expenditure deadline of March 31, 2026.

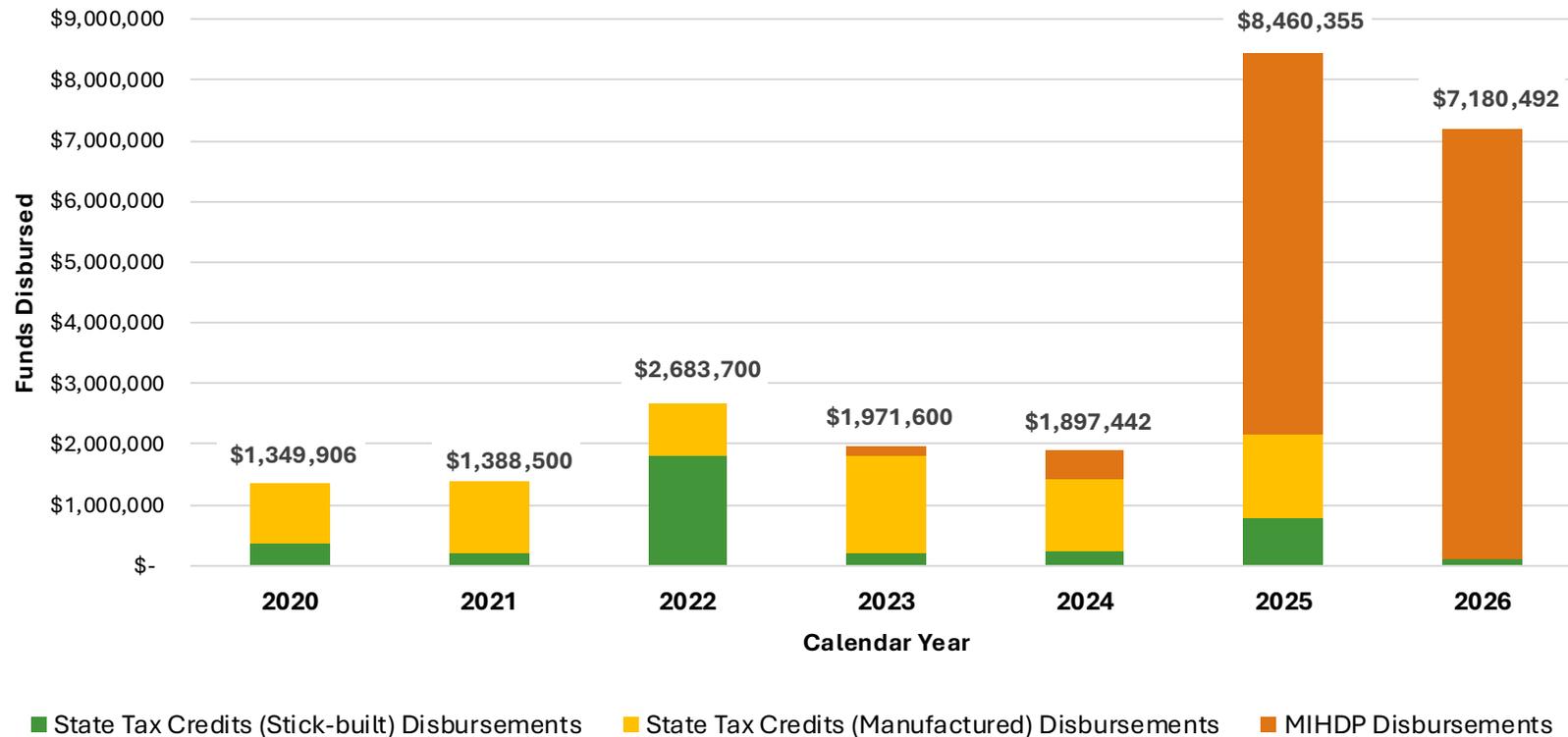
Sizing Financing Gaps



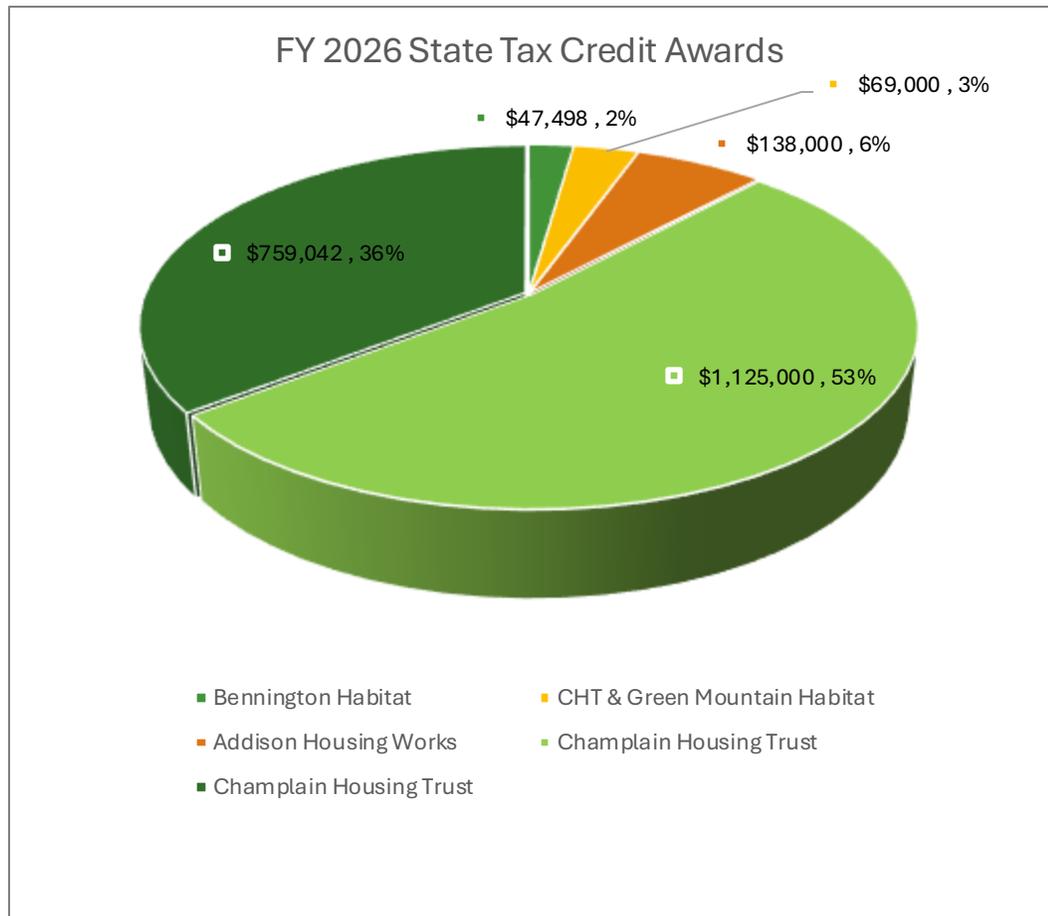
Note: State Homeownership Tax Credits only fund Affordability Gaps while MIHDP may be used for either Affordability or Value Gap (or both).

Disbursement Status

VHFA Homeownership Development Program Disbursements



Update on FY2026 State Tax Credit Awards



- In September, the board authorized awards of \$1,379,498 and gave staff authority to approve supplemental awards via the internal Credit Committee.
- In November, VHFA’s Credit Committee awarded an additional \$759,042 to CHT for its Shale Beach project in Burlington.

Project	Sponsor	\$ Award
Greenview/Crestwood	Bennington Habitat	\$ 47,498
East St, Essex	CHT & Green Mountain Habitat	\$ 69,000
Stonecrop	Addison Housing Works	\$ 138,000
Manufactured Home Program	Champlaine Housing Trust	\$ 1,125,000
Shale Beach	Champlaine Housing Trust	\$ 759,042
TOTAL \$		2,138,540

SHOTC Awards & Disbursements thru 12/31/25

Fiscal Year	Tax Credit Award	Amount Disbursed	Undisbursed
2023	\$3,102,500	\$2,065,646	\$1,036,854
2024	\$2,979,199	\$1,750,412	\$1,228,787
2025	\$3,006,200	\$1,451,476	\$1,554,724
TOTAL	\$9,087,899	\$5,267,534	\$3,820,365
% of Total			42%

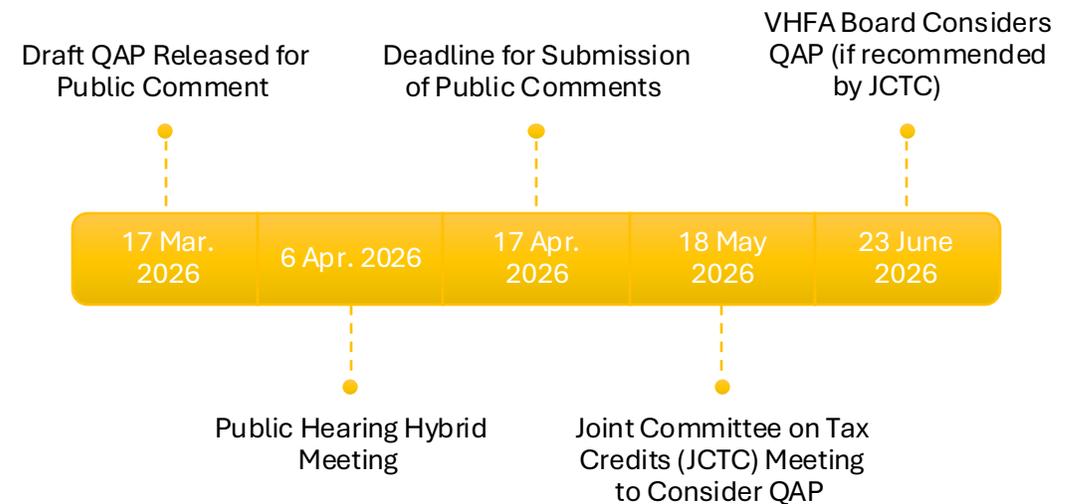
VHFA's Oversight Role – Activities in Progress

- Develop policies and procedures to advance program objectives
- Apply consistent methodology for allocating subsidies based on project needs to reduce risks of over-subsidy and preserve resources to create more homes and reduce the number of cost-burdened households
- Build integrated systems to efficiently track and report program data
- Establish and apply consistent documentation requirements for disbursement of funds
- Monitor projects over time for compliance with funding agreements and affordability covenants

Qualified Allocation Plan (QAP) Current Schedule

Allocation Plan Requirements:

- Eligibility Criteria & Selection Priorities
- Process for Selection of Projects
- Program Compliance Requirements (Perpetual Affordability)
- Recommended by Joint Committee on Tax Credits



Feed back from sponsors / developers

What policies and procedures might make the programs more effective in achieving key objectives?

- Creating more affordable homes
- Reducing the number of cost-burdened households
- Equitable access to program subsidies statewide
- Accelerating the pace of housing production
- Promoting cost effective development
- Efficient deployment of public funds
- Reaching underserved households and communities

Next steps / closing

Thank you for your feedback and input.

- Recording and transcript of this meeting will be available on VHFA's website.

Vermont Qualified Allocation Plan

- Draft for public comment in March-April 2026, finalized in Summer 2026

END