



# VHFA For-Sale Housing Development Programs

Partner meeting, February 19, 2026



# Agenda

- 01** Welcome

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- 02** State Homeownership Tax Credit evaluation

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- 03** Tax Credit and Middle-Income Program Updates

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

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- 05** 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 EVALULATION PRELIM RESULTS

## Public costs of SHOTC-funded homes increased dramatically in 2020



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

# SHOTC EVALULATION PRELIM RESULTS

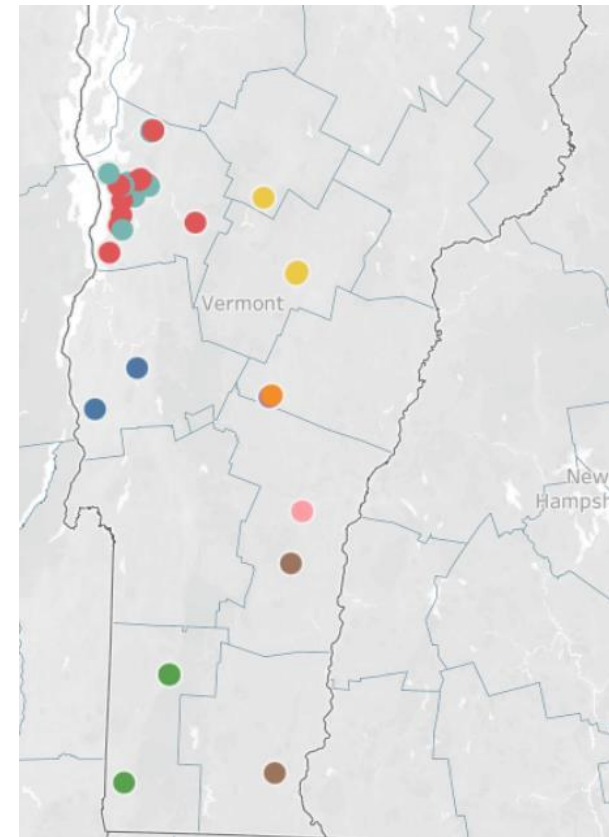
## Almost all SHOTC shared equity homes are in Chittenden County

- 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

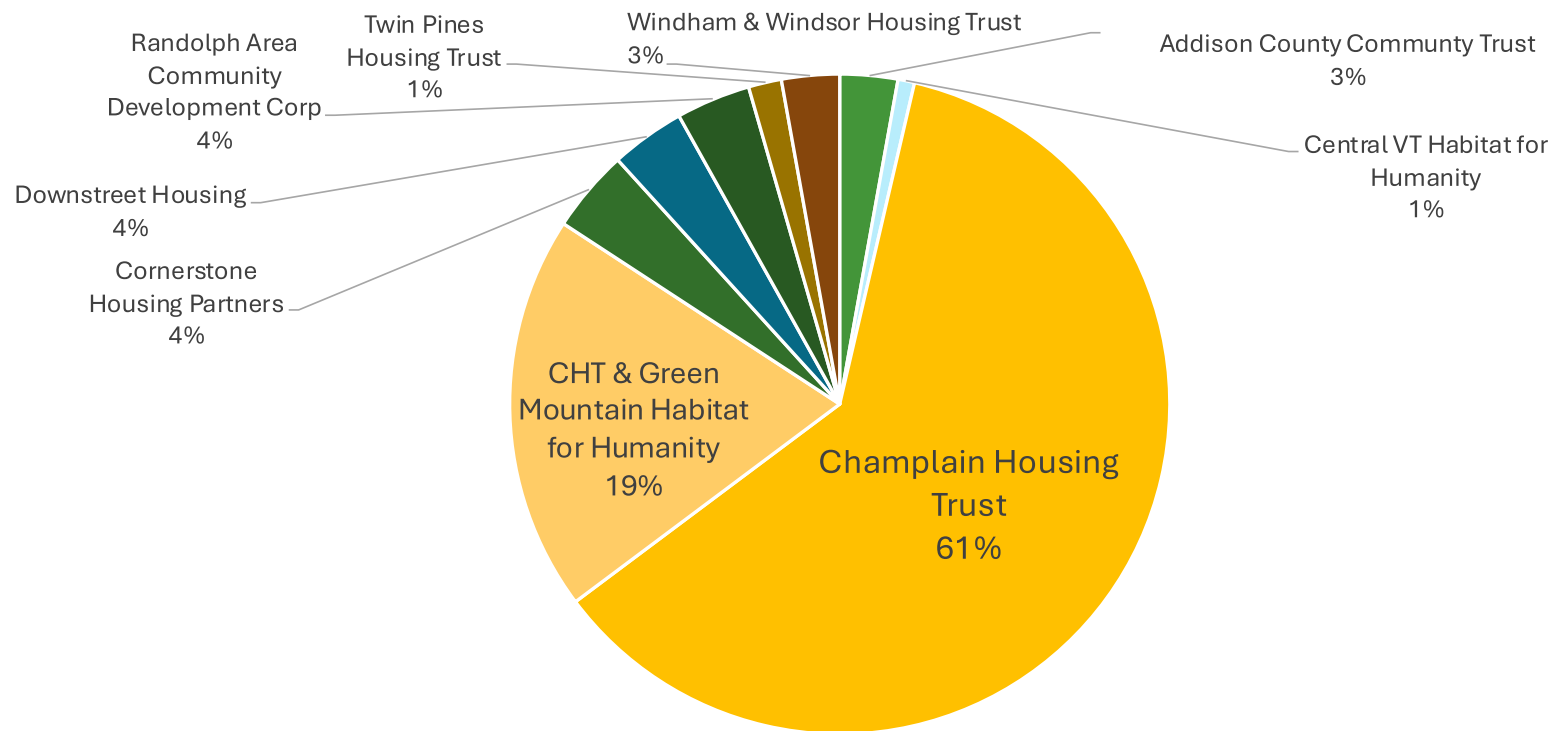
|                     |                    |                     |
|---------------------|--------------------|---------------------|
| ■ Addison Count...  | ■ CHT & Green M... | ■ Randolph Area ... |
| ■ Central VT Hab... | ■ Cornerstone H... | ■ Twin Pines Hou... |
| ■ Champlain Hou...  | ■ Downstreet Ho... | ■ Windham & Wi...   |

Location of shared equity homes funded through SHOTC, 2009-2025



# SHOTC EVALULATION PRELIM RESULTS

## Development has been primarily conducted by CHT



# SHOTC EVALULATION PRELIM RESULTS



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

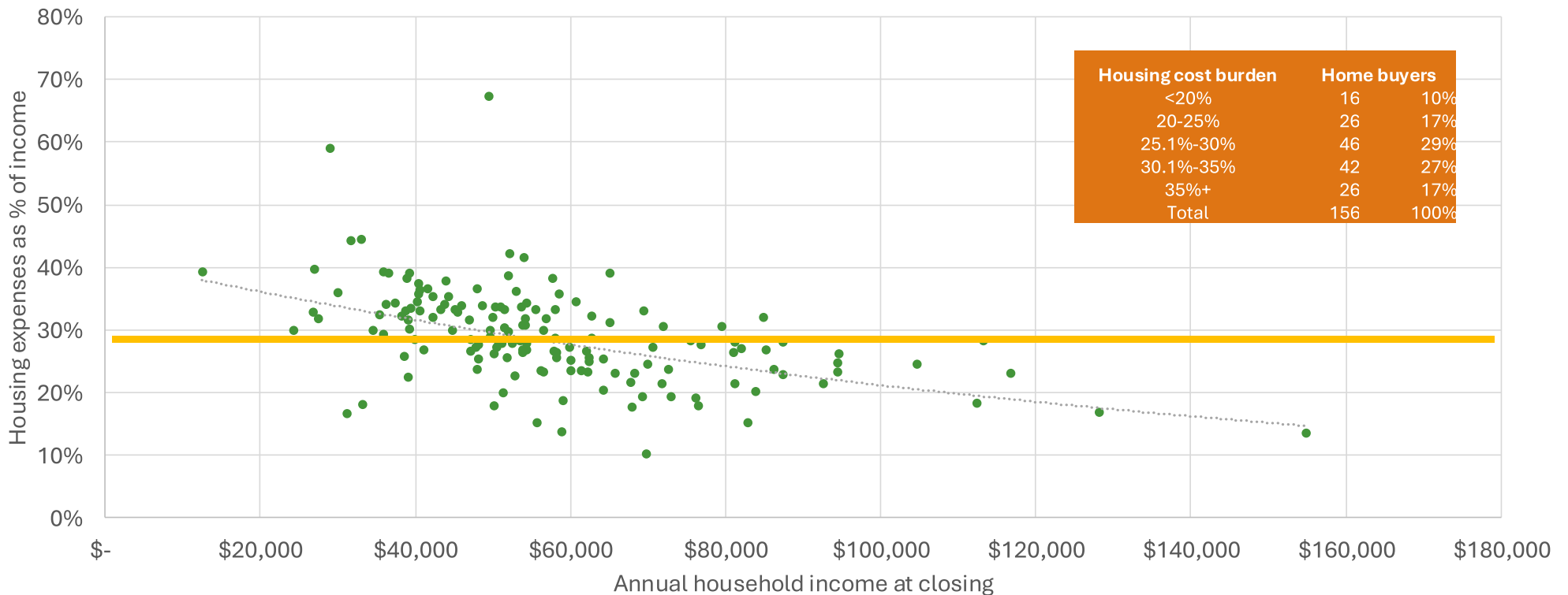
|                              | SHOTC SE<br>homes<br>closed<br>2020-2024 | 2025-2029<br>Owner homes needed<br><120% AMI | Projected<br>reach at<br>current pace |
|------------------------------|--|--|---------------------------------------|
| <b>Chittenden<br/>County</b> | 49                                       | 2,185  | 2%                                    |
| <b>Other counties</b>        | 0  | 4,700  | 0%                                    |
| <b>Vermont</b>               | 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 EVALULATION PRELIM RESULTS

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

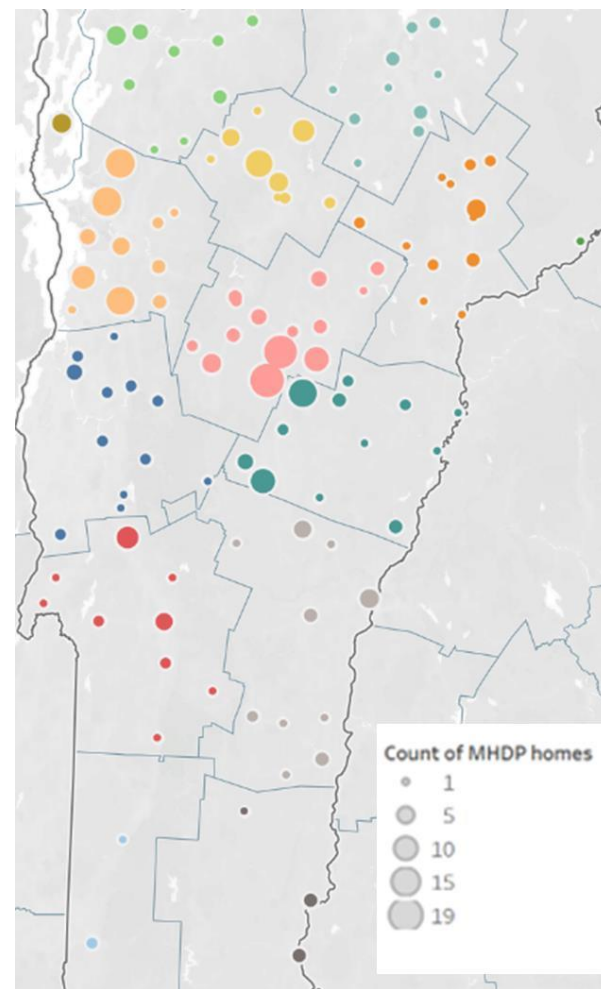
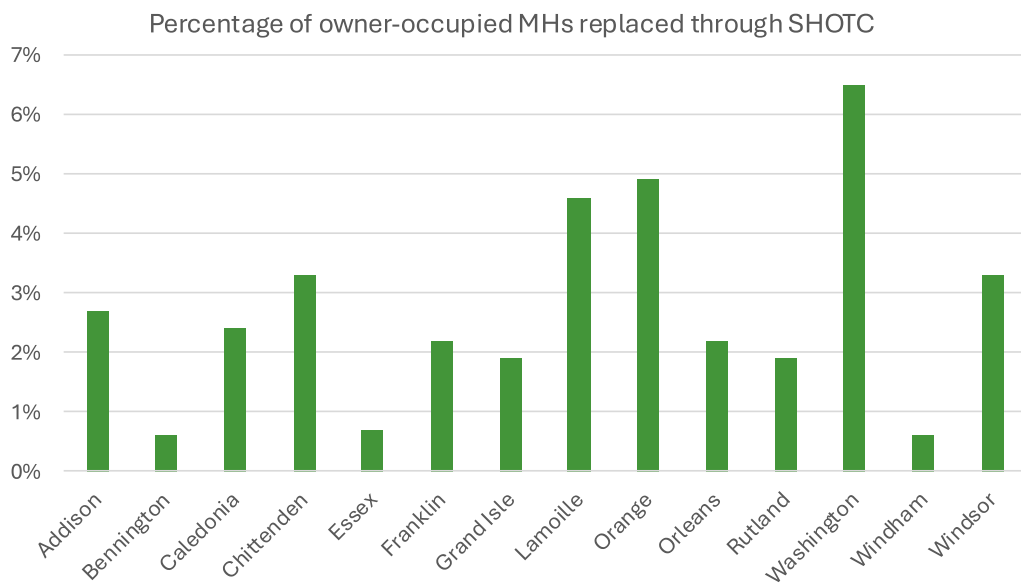


## SHOTC Manufactured Housing Replacement Program

- 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 EVALUATION PRELIM RESULTS

## MHs funded through SHOTC have been more geographically dispersed



# SHOTC EVALULATION PRELIM RESULTS



## 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

# 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)

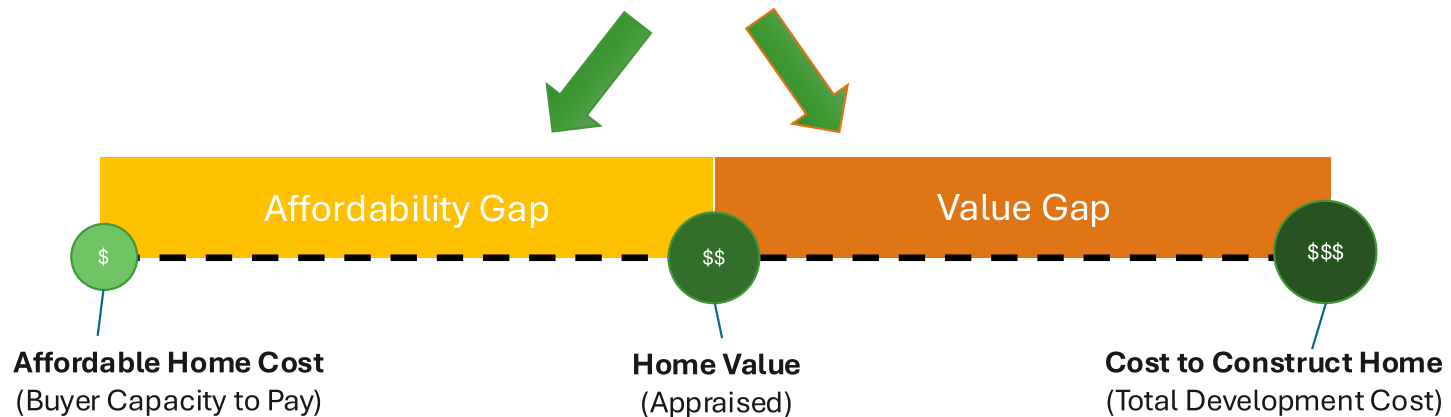
- Created in 2023

### Funding Amount

| Source               | Amount              |
|----------------------|---------------------|
| ARPA*                | \$15,000,000        |
| FY2023 Appropriation | \$ 9,000,000        |
| <b>TOTAL</b>         | <b>\$24,000,000</b> |

\*Expenditure deadline of March 31, 2026.

## Sizing Financing Gaps

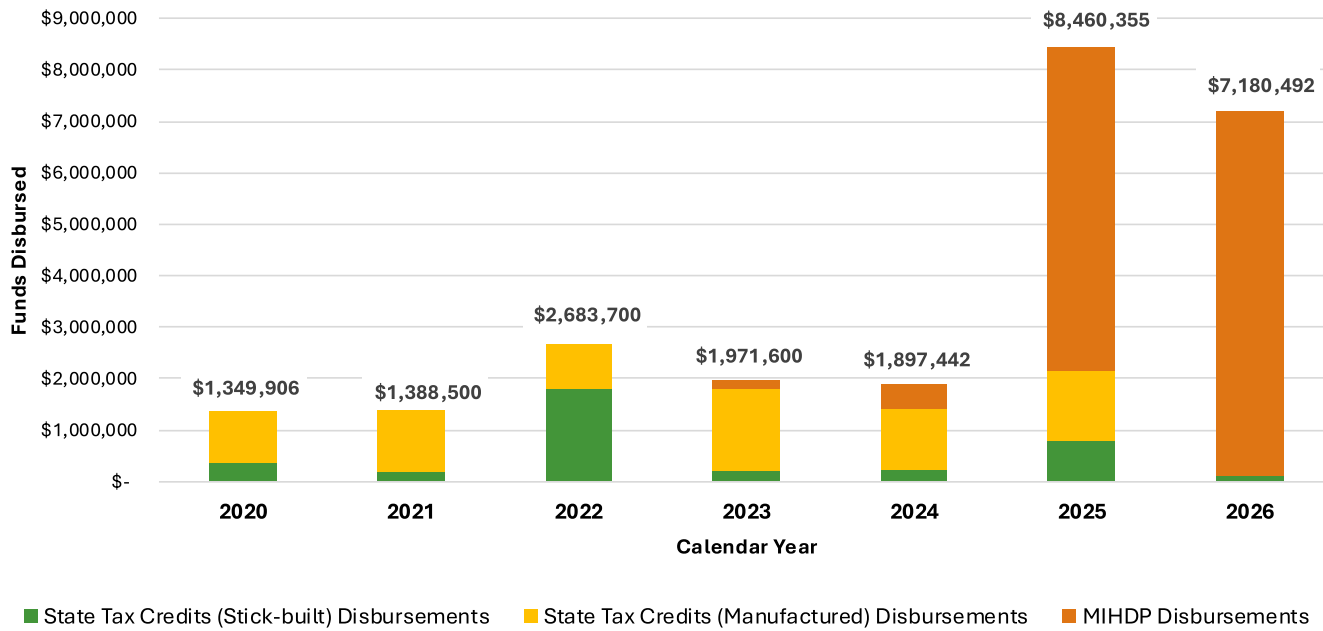


**Note: State Homeownership Tax Credits only fund Affordability Gaps while MIHDP may be used for either Affordability or Value Gap (or both).**

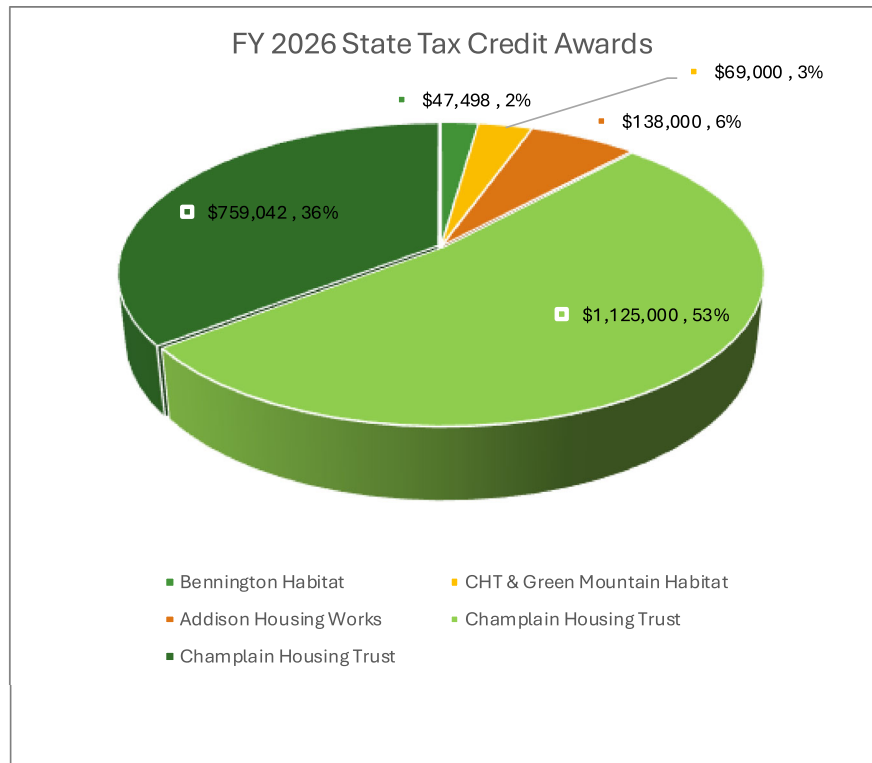
# Homeownership Development Programs

## 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       |
| <b>TOTAL \$</b>           |                              | <b>2,138,540</b> |

# Homeownership Development Programs



## 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        |
| <b>TOTAL</b> | <b>\$9,087,899</b> | <b>\$5,267,534</b> | <b>\$3,820,365</b> |
|              |                    | <b>% of Total</b>  | <b>42%</b>         |

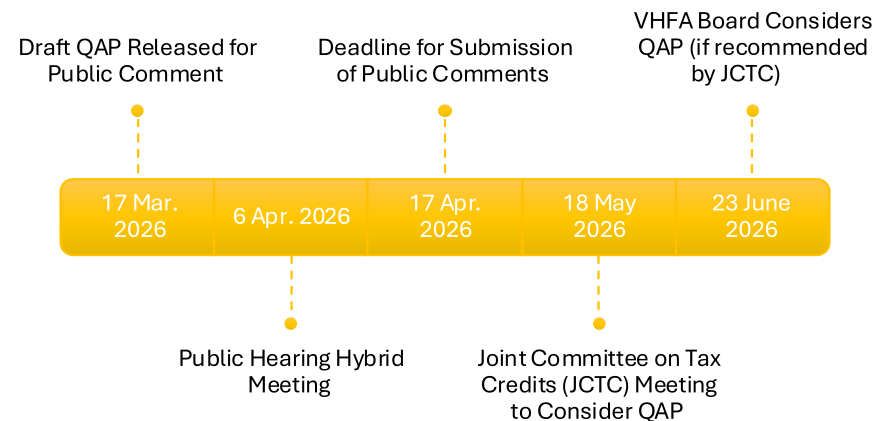
## VHFA's Oversight Role – Activities in Progress

- 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**