



Small Grants to Rehabilitate Rental Housing

WHAT: The Vermont Housing Incentive Program (VHIP) aims to incentivize small-scale, private apartment owners to re-invest in rental units that have been closed due to housing quality concerns. By providing grants to be matched with private investments, VHIP will allow for the owners of blighted and vacant units to make the necessary safety and weatherization improvements to increase the availability of affordable housing units to middle-income households. The program will be available to landlords with holdings of four or fewer units who agree to maintain affordable rental rates for at least five years after completion of the rehabilitation.

WHY: Vermont has some of the oldest housing stock in the country. This is especially true of our rental housing. Of Vermont's rental housing stock, 80% is more than 40 years old, and nearly half of these units are more than 80 years old.

WHO: Of Vermont's rental housing units, only 17% are subsidized or otherwise publicly supported. The remaining 83% of Vermont's rental housing stock is held by private landlords and has not benefited from recent investments made to increase our affordable housing stock. Many of these landlords are not professional property managers and are low-moderate income earners themselves.

In many areas of the state the cost of these important investments requires rental rates that are not affordable to households in the middle-income brackets. Offering small grants, coupled with attractive loan terms, has proven to be a cost-effective way to incentivize small-scale rental property owners to invest in underutilized and poor-quality housing stock. This not only adds quality rental units that are affordable to middle-income households but represents an important investment in the existing buildings in our communities.

HOW: VHIP will be administered by the Department of Housing and Community Development (DHCD). Modeled after a successful pilot program undertaken in Bennington, owners of four or fewer rental units can apply for grants for necessary health, safety, and weatherization improvements on vacant rental units. Grants will require a two-to-one match of private funds and the improved units are to be rented at rates affordable to households making 80% or less of the area median income. Specific application parameters and monitoring is to be determined by DHCD in consultation with the Home Ownership Centers.

FUNDING: \$1M in grant funds.