

Testimony from Maura Collins, Vermont Housing Finance Agency on April 14, 2022

(1) Developer subsidy. The Agency may provide a direct subsidy to the developer, which shall not exceed the difference between the cost of development and the ~~assessed-market~~ value of the home as completed.

(2) ~~Homebuyer-Affordability~~ subsidy. Of any remaining amounts available for the project after the developer subsidy, the Agency may provide a subsidy ~~to the income-eligible homebuyer~~ to reduce the cost of purchasing the home, provided that:

(A) the Agency includes conditions in the subsidy, or uses another legal mechanism, to ensure that, ~~to the extent the home value has risen,~~ the ~~value-amount~~ of the subsidy, ~~adjusted for inflation,~~ remains with the home to offset the cost to future ~~income-eligible~~ homebuyers; or

(B) the Agency ~~uses a shared equity model that requires the Agency to retain not less than 75 percent of any increased equity in the home.~~ provides a subsidy to projects that are subject to housing subsidy covenants as defined in 27 V.S.A. § 610 that preserve the project's affordability for a period of 99 years or longer.

~~(3) The Agency shall adopt one or more legal mechanisms to ensure that subsequent sales of a home that is subsidized through the Program are limited to income-eligible homebuyers.~~ (3) Not less than 30 percent of the program funding will be dedicated to paragraph (d)(2)(B) of this subsection.