

2014 FINALIST

ORGANIZATION

Vermont Housing & Conservation Board

YEAR OF IMPLEMENTATION

1987

AFFORDABILITY

All units affordable to households at less than 100 percent of AMI

NUMBER OF UNITS PRODUCED

997 units benefiting 1,479 homebuyers

WEBSITE

www.vhcb.org/home-ownership-programs.html

www.vthomeownership.org/affordableownership.org/



Vermont Housing & Conservation Board

Vermont's statewide shared-equity model to support housing affordability has invested \$18.5 million and benefited 1,479 homeowners since 1987. This model ensures affordability in perpetuity through a nonprofit community land trust that subsidizes the purchase of a home by a qualified buyer and then retains an interest in the home to recapture the subsidy upon resale to a new owner

Vermont has led the country in using community land trusts (CLTs) and the shared-equity model as tools to achieve permanent housing affordability. In the state's Shared-Equity Homeownership Program, nonprofit partners subsidize the purchase of a home by a qualified buyer and retain an interest in the home (either through a long-term ground lease to the buyer or through affordability covenants) to recapture the subsidy upon sale to a new owner, thus maintaining affordability in perpetuity. Since 1987, the Vermont Housing & Conservation Board (VHCB) has invested \$18.5 million in 997 shared-equity homes benefiting 1,479 homebuyers and leveraged over \$150 million in other private investments.

A rural state, Vermont has long sought to direct development toward established village and urban centers while preserving its working landscape—land used for agriculture, the food system, forestry, and forest product-based businesses. Yet multiple forces—including the

rapidly increasing pace of development, the loss of federally subsidized rental housing, and a growing market for second-home buyers—were driving housing prices beyond the reach of many residents, starting in the 1980s. In response, Governor Madeleine Kunin and the state legislature created the VHCB in 1987 as an independent state funding agency that would guide sustainable growth with financial and technical assistance to support permanently affordable housing, land conservation, and historic preservation.

The VHCB developed the statewide Shared-Equity Home Ownership Program based on the Burlington Community Land Trust (now the Champlain Housing Trust), a nonprofit community organization started in 1984 by the city of Burlington. A CLT protects the public investment in the property by holding the land in trust for the community. Upon resale, the homeowner realizes the equity from the investment (downpayment and mortgage payments), plus the value of any improvements, plus 25 percent of any appreciation in value. The CLT retains the home in its portfolio to be marketed to the next income-eligible purchaser. A network of nonprofits throughout the state, overseen by the VCHB, implements the shared-equity model in Barre, Bennington, Brattleboro, Hartford, Lyndonville, Middlebury, Morrisville, Rockingham, and Rutland.

The VCHB has also offered leadership in upholding very high residential energy standards as part of the state's ambitious energy conservation plan. Under this program, the VHCB has developed a pilot net-zero manufactured home that is expected to sell for only \$35,000 to \$60,000 under the shared-equity program.

With the VHCB's statewide Shared-Equity Homeownership Program, Vermont has the largest portfolio of shared-equity homes in the country. It offers a national model that has already been replicated in Connecticut and Hawaii and has the potential for further replication as a statewide supporting organization for shared-equity homeownership.

