



# Application: New Construction

## Vermont Housing Improvement Program 2.0 (VHIP 2.0)

The State of Vermont launched the Vermont Housing Improvement Program 2.0 (VHIP 2.0) in March 2024. VHIP 2.0 is a competitive award process that provides grants and forgivable loans up to \$50,000 to property owners who agree to create safe, affordable rental units. The flexible program offers several options to both create and rehabilitate units. Owners must match at least 20% of awarded funds and maintain the unit(s) as long-term affordable rentals.

### Program Overview

- VHIP 2.0 offers 5-year grants or 0% interest 10-year forgivable loans of up to \$50,000 per unit for the construction of new residential structures. The completed units must comply with the Vermont Rental Housing Health Code and local ordinances, and all applicable NFPA Life Safety Code Standards and applicable Certificate of Occupancy requirements.

### New Construction Projects

- **Eligible new construction projects:** new single-family home, or a newly created multifamily or mixed-use building. Buildings cannot have more than five residential units. ***If you are looking to convert an existing structure to new residential rental units, please complete the Rehabilitation application.***
- **VHIP 2.0 funds are disbursed on a reimbursement basis at certain points during the project, so you will need to have the capital upfront to cover project expenses until you receive reimbursement.**
- The Property Owner must sign a Housing Affordability Covenant outlining that the unit will be rented at or below HUD Fair Market Rents (FMR) for the appropriate county (published annually) or at a rate allowed by a recognized housing assistance for the compliance period. Five-year grants also require placing tenants through a Coordinated Entry or USCRI refugee program, or other DHCD-approved agency.
- The Property Owner must be current on their property taxes and mortgage payments to be eligible for the program.
- The Property Owner is required to contribute at least a 20% match of the grant or loan funds prior to first grant or loan disbursement. An “in-kind” match or deferred match timeline may be approved at the discretion of the Homeownership Center overseeing project management.
- Pre-approval is available to assist with financing the project. The Property Owner must obtain any required State or local permits before final approval.
- Project scope may be reviewed and altered if the property is on or eligible for the State or National Historic Registry.
- The Property Owner will provide information on tenants and rents to show they are complying with program requirements. This will include contact information and lease copies annually and the VHIP Owner Compliance Certification to the Department of Housing & Community Development (DHCD).
- **Applicants MUST be able to complete the project within 18 months of signing the Grant or Loan Agreement.**



NeighborWorks of Western Vermont- Serving Addison, Rutland, and Bennington Counties  
110 Marble Street, West Rutland, VT 05777 • 802-797-8610 • info@nwwvt.org

Funds provided The State of Vermont Agency of Commerce and Community Development



Updated: March 25<sup>th</sup>, 2024

### Tenant Selection Parameters

- Property Owner must accept paper applications in areas with limited internet access
- Cannot charge upfront more than first month's rent and a security deposit
- Must accept credit scores of 500 and above
- Property Owner must cover the expense of any credit or background checks

### **Fair Housing & Landlord-Tenant Mediation**

Federal and State Fair Housing Laws prohibit discrimination in all aspects of housing, including home sales, rentals, housing policies, and financing. Discrimination is treating a person, or a particular group of people unfairly or differently than how other people are treated because they are a member of a protected class (race, family status, etc.).

#### ***Federal Protected Classes***

- Race
- National Origin
- Color
- Sex
- Religion
- Familial Status
- Disability

#### ***Vermont's Additional Protected Classes***

- Marital Status
- Victims of Abuse
- Sexual Orientation
- Receipt of Public Assistance
- Age
- Gender Identity

### Application Checklist

- [Watch interactive videos on Fair Housing Laws and Landlord-Tenant Mediation prior to VHIP 2.0 application approval](#)

**Providing all the required documents makes your application more competitive and will ensure a timely decision.**

#### **Complete Application Packet includes the following:**

- Completed VHIP 2.0 Application Form, signed by the Applicants (Property Owners)
- Copy of property insurance
- Copy of the tax bill for each property
- Copy of the deed for each property
- Completed Form W-9
- Scopes of work and budget for the project

#### **Additional documents that may be required:**

- Standard Lease Agreement
- Copy of contractor contracts, if available
- Copy of any applicable permits for final approval
- Bank statement or loan approval for large projects

***\*Incomplete applications will be returned.***



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### Grants & Forgivable Loans

- Grant and forgivable loans funds are considered taxable income.
- **5-Year Grants:** Units receiving these funds must be rented at or below HUD Fair Market Rent for 5 years. These units have the additional requirement to work with a Coordinated Entry Organization to identify a tenant exiting homelessness. Grants may be converted to forgivable loans, if approved by the Vermont Housing Division.
- **10-Year Forgivable Loans:** Units receiving these funds must be rented at or below HUD Fair Market Rent for 10 years for the loan to be forgiven in its entirety. Funds will need to be repaid to the State of Vermont for every year this requirement is not met. For example, if a Property Owner only leases the unit for 7 years at or below FMR, 30% of the funding would need to be repaid.

**Please select whether you are applying for a grant or a forgivable loan:**

This application is for a **5-year grant**, with the stipulations outlined above

This application is for a **10-year forgivable loan**, with the stipulations outlined above

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**Please complete this application and return with requested documentation to:**

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West Rutland, VT 05777  
Email: [info@nwwvt.org](mailto:info@nwwvt.org) | Phone: 802-797-8610

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### **Services Provided by NeighborWorks of Western Vermont**

- Attend an initial site visit of the property/units with Property Owner
- Review proposed scope of work and budget
- Help to define and finalize the project
- Confirm construction deadlines are being met and provide progress payments
- Conduct progress and final inspection to ensure all repairs have been completed
- Collect and verify all program documents: pre-work, during-work, post-work as required



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Information on this form will be used to assess your eligibility for the Vermont Housing Improvement Program 2.0.  
If applying for more than one property, please complete an additional Application: Unit Rehabilitation for each property.

**Section A. Property Owner/Applicant Information** Please list all owners, attach an extra sheet if necessary.

Property Owner/Applicant Name: \_\_\_\_\_

Co-Owner/Applicant Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ City/Town: \_\_\_\_\_

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Email Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Can you receive texts: Yes No

Best way to reach you: \_\_\_\_\_

**Section B. Property Management Information**

What is your current process to screen potential tenants and qualifying factors (i.e. background and credit check, applications)? \_\_\_\_\_

Grants only: Do you agree to receive rental referrals from a CE agency or DHCD-approved agency? Yes No

Are you willing to accept the Vermont Common Rental Application? Yes No

Are you willing to maintain HUD Fair Market Rents for New Units? Yes No

Required if Owner Does Not Reside in Vermont

Property Manager Name: \_\_\_\_\_ Property Manager Email: \_\_\_\_\_

Property Manager Phone: \_\_\_\_\_

**Section C. Property Information**

Property Address: \_\_\_\_\_

Have you discussed your project with local Zoning and Planning authorities? Yes No

Does this property have a mortgage? Yes No If yes, are you current on payments? Yes No

Municipality where you pay Property Taxes: \_\_\_\_\_ Are taxes current? Yes No

Do you have enough cash assets or loan commitments set aside for the match? Yes No

If no, are you seeking pre-approval to secure a loan? Yes No

**\*Include a copy of the Property Tax Bill.\***

**\*Include a copy of the Deed.\***



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Total number of residential units planned in building: \_\_\_\_\_

	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5
# of Bedrooms					

Expected start date of construction: \_\_\_\_\_ Expected end date of construction: \_\_\_\_\_

Contractor name (if available/applicable): \_\_\_\_\_

Other notes: \_\_\_\_\_

**\*Attach the Scope of Work and Project Cost Estimate/Budget for Building 1 (include contractor contract, if available)\***

### Section D. Project Deadline

I understand that if my rehabilitation project is not completed and occupied within 18 months of signing the grant or loan agreement I will forfeit the unspent portion of the grant or loan, and I will be responsible for any unpaid amounts owed to the contractors that I hire. NeighborWorks of Western Vermont or the Vermont Department of Housing and Community Development may seek recovery of funds for incomplete units, or any other violation of the program rules or the Housing Subsidy Covenant to the full extent allowable by law.

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Co-Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Section E. Authorization and Acknowledgement

Each of the undersigned attests to the **NEIGHBORWORKS OF WESTERN VERMONT** and to the **NEIGHBORWORKS OF WESTERN VERMONT'S** actual or potential agents, successors and assigns and agrees and acknowledges that the information provided in this packet is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this packet may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq. **NEIGHBORWORKS OF WESTERN VERMONT** and its agents, brokers, insurers, successors, and assigns may continuously rely on the information contained in the packet. Each of the undersigned hereby acknowledges that **NEIGHBORWORKS OF WESTERN VERMONT**, its servicers, successors and assigns, may verify or reverify any information contained in this packet or obtain any information or data relating to the packet, for any legitimate business purpose through any source, including a financial institution, employer, creditor, or any other source listed in this form. If the application is approved, the undersigned agrees to watch videos on Fair Housing Laws and Landlord-Tenant Mediation. Each of the undersigned also understands that this application is for eligibility purposes only and submitting this form does not constitute a commitment of funds.

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Co-Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_



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