



Application: Unit Rehab / Conversion

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 repairs needed to bring vacant rental units up to Vermont Rental Housing Health Code guidelines or convert existing structures to rental units. 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. Award amounts are based on the number of bedrooms:
 - Up to \$30,000 for the rehabilitation of each 0-2 bedroom unit
 - Up to \$50,000 for the rehabilitation of each 3+ bedroom unit or to convert existing structures to rental units
- For structural elements affecting multiple units, applicants can apply for \$50,000 per property and must identify one unit in the building to carry the Rental Covenant.
- **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 agency 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 aid with financing. Required State/ local permits must be obtained 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.**
- **Fire and safety inspections are required for approval and all fire, housing, and health code violations identified in occupied units and common areas must be corrected by law and owners are subject to fines and penalties if they are not. It is always the Divisions of Fire Safety’s goal to work with tenants and landlords to gain compliance through the education process. Applicants are encouraged to discuss their project with their local HOC before scheduling an inspection.**



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 25th, 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
- Color
- Religion
- Disability
- National Origin
- Sex
- Familial Status

Vermont's Additional Protected Classes

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

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 the property
- Copy of the deed for the 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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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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