



Vermont Farmworker Housing Repair Loan Program

FREQUENTLY ASKED QUESTIONS

Q. Who is eligible for the Farmworker Housing Repair Loan Program?

A. Any farmer who is actively engaged in farming per the Agency of Agriculture, Food and Markets definition excluding sections (f) and (g)

- <https://agriculture.vermont.gov/water-quality/regulations/farm-definitions-and-determinations#farm>

- i. Has at least \$75,000 in gross revenue from farming activity.
- ii. Their total gross income must be below USDA income threshold of \$900,000. Must provide 3 years of tax returns.

- <https://www.fsa.usda.gov/programs-and-services/payment-eligibility/adjusted-gross-income/index>

- <https://www.ecfr.gov/current/title-7/subtitle-B/chapter-XIV/subchapter-A/part-1400/subpart-F>

Q. What is considered an eligible unit for the Farmworker Housing Repair Loan Program?

A. An eligible unit will be owned by the farmer and is currently occupied by farmworkers, or will be occupied by farmworkers following completion of the rehabilitation project. The housing must be a stick-built home, manufactured home, or other permanent or semi-permanent structure. New builds, fifth wheel trailers and other motor vehicles are not eligible for this program. Owner-occupied farm dwellings are also not eligible.

Q. What type of work can be done with these funds?

A. Typical health and safety related repairs/improvements can include, but are not limited to: water supply and wastewater systems, air sealing and weatherization, noise mitigation measures, overcrowding relief, food prep and storage improvements, mold remediation, electrical and plumbing upgrades, and roof replacements.

Q. What is the minimum loan amount? What is the maximum loan amount?

A. The minimum loan amount/project cost is \$3,000. The maximum loan amount is up to \$30,000. The loan amount is based on the overall project cost, and the farmer will only be responsible for the amount of funds that were disbursed. CHT will ensure that the project scope can be completed within the budgeted loan amount.

Q. What is a forgivable loan?

A. The loan will be secured by a mortgage deed against the property. Each year following project completion, the farmer will need to certify to CHT that the repaired housing is still being used by farmworkers and that the unit is in good repair. Each year that this requirement is met, 10% of the loan will be forgiven. As long as the unit is well-maintained and still used as farmworker housing for 10 years, the loan will be considered paid and CHT will release the mortgage. For example, if a farmer borrows \$10,000 for a new roof, \$1,000 per year will be forgiven each year that the housing is used for farmworker housing, and that the roof continues to be maintained.

Q. Who determines the scope of work and selects the contractor?

A. The farmer should apply with a basic idea of the work that needs to be completed. CHT will do a site visit to verify that the scope of work meets program guidelines, as well as any other items that may need to be addressed.

The work completed will bring the unit into compliance with the Vermont Rental Housing Health Code (https://www.healthvermont.gov/sites/default/files/documents/pdf/REG_Rental_Housing_Code.pdf).

The farmer may select a contractor of their choice; however, the contractor will need to sign CHT contract documents and provide evidence of insurance.

Q. Can I do the work myself?

A. No, a third-party contractor must be hired to do the work.

Q. How long do I have to complete the work?

A. Once loan and contractor paperwork has been signed projects should be completed within 18 months.

Q. Can I get reimbursed for repairs that I just completed?

A. No, unfortunately CHT can only fund repairs going forward that are agreed upon by the farmer and CHT.

Q. How do contractors get paid?

A. CHT will hold the loan funds in an escrow account, and will pay the contractor directly based upon progress on the project and farmer approval.

Q. How will farms be selected for this program?

A. CHT will review applications for completeness and confirm eligibility. If the total requests exceed the loan fund capital available, CHT has developed a scoring system to rank eligible applications with a focus on life safety needs.

Q. What if there are multiple owners of a property?

A. All parties will need to submit required documentation and sign the application.

Q. What is the ongoing compliance for accepting this money?

A. CHT will provide a maintenance plan to the borrower. Annually thereafter CHT will send the borrower a certification form to complete which provides:

- (1) demographic data on the farmworkers living in the housing, and
- (2) photographic documentation of the condition of the work completed through the program.

CHT or partner staff will visit the site twice to inspect the work. These inspections will occur at the fifth and tenth completion anniversaries, unless CHT determines that such visits should occur sooner.

Q. What if farmworker housing is located separately from the farm?

A. If the farm owns the property used for farmworker housing that is separate to the farm it is still eligible. The farm owner must have the ability to mortgage the real estate where the farm housing is located.

Q. I am concerned about confidentiality. How will information be handled?

A. Champlain Housing Trust (CHT) is a non-profit housing organization subject to the laws of the State of Vermont. CHT maintains a consumer privacy policy regarding the responsible management, use and protection of personal information. Specifically, tax-related information of persons, personal financial information of an individual(s) and trade secrets submitted by applicants will be held in confidential files at CHT.

CHT may share information about the names of applicants, farms, location of farms and type of farms or businesses with our funder, the Vermont Housing and Conservation Board (VHCB); as well as with our partner, the University of Vermont Extension program, for purposes of providing assistance to applicants.