

Vermont Housing Improvement Program (VHIP) Frequently Asked Questions

Q. What is considered an eligible unit?

A. An eligible unit would be an existing rental unit that is currently vacant for a minimum of 90 days. It could be an apartment, single family home, duplex, mobile home, or accessory apartment.

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

A. There must be existing code violations or health and safety repairs that need to be addressed, for example: electrical/plumbing work, fire safety improvements, leaking roof, new heating system. However, there is flexibility to make additional upgrades if any funds remain after the necessary repairs are made.

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

A. The property owner should apply with a basic idea of the work that needs to be completed to bring the unit in compliance with rental housing code. 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 property owner must select the contractor.

Q. What is the maximum grant amount?

A. The maximum grant amount is up to \$30,000 per unit.

Q. Are funds considered taxable?

A. Yes, funds are considered taxable income by the IRS.

Q. How will units be selected for this program?

A. Units will be selected on a first-come first-serve basis, as long as the following requirements are met:

1. The property is not delinquent on any property taxes, mortgage payments, or has any other adverse lien(s) and is not in foreclosure.
2. The property owner must contribute a 20% match (up to \$6,000 of his or her own funds)
3. Written agreement that the property owner will work with a Coordinated Entry Lead Organization to find suitable renters.
4. Written agreement that the property owner will agree to lease their rehabbed units at or below the HUD Fair Market rents for at least five years.
5. Units are vacant and eligible (see question 1)
6. The project is shovel ready and can reasonably be completed no later than 18 months after signing of the grant agreement. Verification and or a contract documenting that from your contractor would be helpful.

Q. How much do I need to contribute? How will that be processed?

A. Property owners are required to match at least 20% of their own funds. If the project is estimated at \$20,000, a match of \$4,000 is required. CHT asks that the property owner pay their funds first to the contractor (i.e. initial deposit) and provide CHT with a receipt

Q. When do I get paid? Do I need to submit receipts?

A. Yes you must submit receipts. CHT will reimburse costs based on the following schedule and project progress:

- a.25% distributed to commence the project
- b.25% distributed at the halfway point of the project
- c.30% will be distributed upon satisfactory final inspection of the project.
- d.20% upon successful signing of lease of unit.

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

A. Please include contact information for all the property owners on the application. They all must agree to and sign a Housing Subsidy Covenant, which will be recorded in the land records.

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

A. All owners must agree to sign a Housing Subsidy Covenant, which will require compliance with keeping rents at or below HUD Fair market rents. Each year, a landlord certificate must be sent to the Vermont Department of Housing and Community Development.

Q. What are the HUD Fair Market Rents in Chittenden/Franklin/Grand Isle Counties?

A. They usually change once a year, but the current rental limits are:

Studio Apartment:	\$1,033
One Bedroom:	\$1,163
Two Bedroom:	\$1,500
Three Bedroom:	\$1,854
Four Bedroom:	\$2,034

HUD Fair Market Rents are posted annually and can be found through

<https://www.huduser.gov/portal/datasets/fmr.html>

Q. What is the deadline for construction? What is the deadline for occupying the unit?

A. Unit should be completed construction and ready for occupancy no later than 18 months after the grant agreement is signed. A lease should be signed by that date as well.

Q. What happens if I don't meet those deadlines?

A. If construction is not completed by the deadline, you will forfeit the undisbursed remainder of the grant funds, and may incur a penalty.

Q. What is the Continuum of Care/Coordinated Entry Program?

A. This is a statewide effort to help end homelessness in Vermont. Each community has a Lead Agency (Champlain Valley Office of Economic Opportunity in our area – cvoeo.org) where there is a Coordinated Entry system to connect homeless households with housing and services. By enrolling your unit in this program, it is required that you find a tenant(s) from the Continuum of Care to fill these rehabbed units.