

Housing Trust Fund Policy Guidelines

Section I: General Provisions

A. Introduction

The City of Winooski Housing Trust Fund (HTF) program was established in January 2019 with the goal of providing financial assistance to incentivize the development, preservation, and improvement of affordable housing within the city limits. The City of Winooski offers loans and grants for the creation of new affordable units, the rehabilitation and preservation of existing affordable units, and down payment assistance for first time homebuyers.

B. Purpose

The purpose of the Housing Trust Fund program is to promote, create and retain affordable housing options for low and moderate income households through the distribution of grants or loans to organizations, developers, owner-occupants, or projects that create, preserve, rehabilitate, or replace long-term Affordable housing units; as well as by providing grants or loans to low to moderate income first time homebuyers.

C. Program Structure

The Housing Trust Fund is an umbrella fund that provides loans and grants through three distinct programs. These programs are as follows:

1. Construction and Rehabilitation Program (CoRe)

Professional real estate developers, both for-profit and non-profit, and public housing agencies are encouraged to apply for this program when constructing or substantially rehabilitating housing for low-income persons, including homeownership or rental properties.

2. Housing Improvement Program (HIP)

Low to moderate income owner-occupants of single family homes and multifamily properties are encouraged to apply for this program when rehabilitating properties providing homes for low to moderate income households.

3. Down Payment Assistance Program (DPA)

Low to moderate income first time homebuyers are encouraged to apply for this program for assistance with the down payment for a first time home purchase.



D. Source of Funds

Revenues for the HTF shall come from the following sources:

1. Re-allocation of the Housing Improvement Loan Fund to the Housing Trust in the amount of \$348,000.
2. Payments of interest and principal due to the City from borrowers of previous Fund loans.
3. Any inclusionary zoning fees to be paid in-lieu of construction of affordable housing units as allowed by an Inclusionary Housing Ordinance if adopted.
4. Gifts or awards made by individuals or organizations.
5. Funds from other sources authorized by the City Council.

E. Affordability Definitions

To be "affordable", housing must meet the following criteria:

1. Homes for sale must be sold to buyers whose total housing obligation (principal and interest repayments, taxes, hazard insurance, and mortgage insurance) does not exceed 30% of the buyer's household income. The buyer's total household income cannot exceed 120% of the area median income for the Burlington-South Burlington Metropolitan Statistical Area, as established annually by the US Department of Housing and Urban Development, by household size.
2. Rental units must be rented to households with incomes not exceeding 80% of the area median income for the Burlington-South Burlington Metropolitan Statistical Area, as established annually by the US Department of Housing and Urban Development, by household size, and rents must not exceed 30% of household income.
3. Single family homes are eligible for funding only if the owner-occupant household income does not exceed 120% of the area median income for the Burlington-South Burlington Metropolitan Statistical Area, as established annually by the US Department of Housing and Urban Development, by household size.

F. Equal Housing Opportunity Requirement

Property owners and managers are subject to the federal Fair Housing Act, which prohibits "any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status, or national origin, or intention to make such preference, limitation or discrimination."



Section II: Construction and Rehabilitation Program (CORE)

Professional real estate developers, both for-profit and non-profit, and public housing agencies are encouraged to apply for this program when constructing or substantially rehabilitating housing for low-income persons as defined by HUD standards, including homeownership or rental properties.

A. Eligibility Considerations

1. Geographic Area

The area served by the Winooski Housing Trust Fund shall include the geographical limits of the City of Winooski, Vermont.

2. Eligible Applicants

- a. For-profit Corporations, Partnerships, or Sole Proprietors.
- b. Private incorporated non-profit agencies.
- c. Public Housing Agencies operating in Winooski.

3. Eligible Activities

- a. Construction of new housing for sale or rental, including land acquisition and hard costs.
- b. Conversion or adaptive reuse of non-residential structures for housing.
- c. Purchase and/or rehabilitation of existing substandard multi-family housing units that do not meet the City's minimum housing code.

B. Affordability Period

The required period of affordability for units receiving long-term financing will be directly proportional to the loan term (i.e. developers requesting a 30 year loan term will be required to keep rents affordable for 30 years), but minimum affordability term must be at least 5 years.



C. Priorities & Evaluation Criteria

Priority Criteria	Maximum Points	Point Scale
Creates/maintains access for low income households to higher income neighborhoods	10	Annual census block group data will be utilized to create a sliding scale prioritizing creating affordable housing access to higher income neighborhoods.
Long-term Affordability	5	5-10 yrs: 1 pt 11-20 yrs: 2 pts 21-30 yrs: 3 pts 31-40 yrs: 4 pts 41+ yrs: 5 pts
Lower Per-Unit Subsidy	3	Over \$10,000: 1 pt \$5,000-\$10,000: 2 pts Under \$5,000: 3 pts
# of Affordable Rental Units	5	Under 5: 1 pt 5 to 10: 3 pts Over 10: 5 pts
Energy Efficiency/Low Impact Development	5	1 pt. for each:
		Renewable energy sources
		On-site stormwater best management practices
		Parking demand management
		Energy efficient heating and cooling
Energy efficient appliances and lighting		
Leverages Other Funding Sources (Ratio of other funds to city funds)	2	
% of development made up of new owner-occupied affordable housing	10	Under 20%: 2 pts 21-40%: 4 pts 41-60%: 6 pts 61-80%: 8 pts 100%: 10 pts



Priority Criteria	Maximum Points	Point Scale
Rehabilitation to improve (life safety) code compliance	<p>10</p> <p>*list of potential 10 pt. life safety issues is not exhaustive</p>	*10 pts for any of the following:
		Safe egress (doors, windows, locks, latches)
		Handrails
		Smoke & Carbon Monoxide detection
		Fire suppression Systems
		Lead paint abatement
Total Score	x/50	

D. Application Procedures

Applicants shall initially submit a completed Housing Trust Fund Application form. Once reviewed by the Housing Commission, applications which meet scoring criteria to be recommended for loan approval will be asked to submit materials for credit analysis through Opportunities Credit Union.

E. Review Process

1. City of Winooski Housing Commission Review and Recommendations

The Winooski Housing Commission shall serve as the loan review committee for the Housing Trust Fund. The Commission shall review loan applications on a rolling basis as part of their regularly scheduled monthly meetings.

- a. A quorum shall consist of a majority of the duly appointed members.
- b. During its review, the Commission may recommend adjustments to the loan amount and it shall clearly communicate the recommended terms to City Council.
- c. The Commission will consider availability of funds and evaluation criteria score (Section C) in making determinations.
- d. For each loan application, the Housing Commission will make one of the following recommendations to City Council:
 - I. Approve loan
 - II. Deny loan
 - III. Table loan: pending further information from the applicant, or pending HTF program funds becoming available.



- e. Upon completion of its review, the Commission shall vote whether or not to recommend approval of the loan request or to table the loan pending further information or availability of funds. If the Commission votes to recommend approval of the loan, or to table the loan pending credit review, the application will be submitted to Opportunities Credit Union for credit analysis. If the Commission recommends denial of the loan, the recommendation will be submitted to City Council for its action.
- f. In accordance with I V.S.A. § 313, review of loan applications by the Commission will be conducted in executive session.

2. Credit Analysis and Loan Risk Identification

Loans that meet scoring criteria and are recommended for approval by the Housing Commission will be submitted to Opportunities Credit Union for credit analysis.

3. Winooski City Council Decision

- a. A Commission recommendation regarding a Housing Trust Fund loan application shall be considered at the earliest possible City Council meeting following the receipt of OCU's credit analysis, subject to the discretion of Council.
- b. It is required that the applicant or his/her/their agent attend the meeting for the CoRe program.
- c. In accordance with I V.S.A. § 313 review of financial details of loan applications by City Council will be conducted in executive session.
- d. The Commission's role is that of an advisory body, thus it has no authority to give permission on behalf of the City for outside action. Its vote is a recommendation only. The final disposition of any loan application will be decided by City Council.
- e. All Housing Trust Fund loan and grant decisions made by City Council shall be final.

F. Terms & Conditions

1. Funding Amount

The maximum loan amount per affordable unit is \$10,000, not to exceed \$100,000 for a single project.

2. Financial Standards

Per MOU with Opportunities Credit Union



Section III: Housing Improvement Program (HIP)

Owner-occupants of single family homes and multifamily properties are encouraged to apply for this program when rehabilitating properties providing homes for low to moderate income households. The maximum loan amount for a single project is \$30,000.

A. Eligibility Considerations

1. Geographic Area

The area served by the Winooski Housing Trust Fund shall include the geographical limits of the City of Winooski, Vermont.

2. Eligible Applicants

- a. Moderate income (under 120% AMI) owner-occupants of single family homes or multifamily rental properties serving low income (under 80% AMI) households.
- b. Property must be homeowner's primary residence.
- c. All recipients of HIP funds are required to participate in the Burlington Lead Program if they are eligible.

3. Eligible Activities

- a. Energy related repairs or improvements resulting in increased energy efficiency. These include, but are not limited to:
 - Conversions to energy efficient heating systems
 - Installation of storm windows
 - Insulation and weatherization improvements
 - Rehabilitation of heating/mechanical systems to improve comfort level
 - Replacement of heating/mechanical systems in danger of failing
 - Replacement windows
- b. Improvements necessary to permit the occupancy of disabled persons.
- c. The repair or replacement of major building components/systems in danger of failing within the next five years. These include, but are not limited to:
 - Electrical system
 - Plumbing system
 - Structural elements
 - Roofs & exterior siding
 - Ranges, refrigerators, hot water tanks and related appliances
 - Floor coverings
 - Paint
 - Porches and decks



- Fire alarms and suppression systems
 - Elevators
 - Entry locks and other elements of building security systems
 - Sidewalks and driveways
 - Site drainage, sewer & water service
- d. Improvements and reasonable amenities to enhance the quality of living or ensure that the owner is able to market the units to the target population. Reasonable amenities are those commonly found in rental housing of similar cost.

B. Affordability Period

All rents charged for the entirety of the loan term must be affordable to households earning less than 80% area median income for the Burlington-South Burlington Metropolitan Statistical Area, as established annually by the US Department of Housing and Urban Development, by household size, and rents must not exceed 30% of household income.

C. Priorities & Evaluation Criteria

Priority Criteria	Maximum Points	Point Scale
Resolving a code non-compliance issue related to life safety	<p style="text-align: center;">10</p> <p>*list of potential 10 pt. life safety issues is not exhaustive</p>	*10 pts for any of the following:
		Safe egress (doors, windows, locks, latches)
		Handrails
		Smoke & Carbon Monoxide detection
		Fire suppression Systems
		Lead paint



Energy related repairs or improvements resulting in increased energy efficiency	8	*list of potential 8 pt. energy improvements is not exhaustive	*8 pts for any of the following:
			Conversions to energy efficient heating systems
			Replacement windows
			Insulation and weatherization improvements
			Installation of solar panels
Improvements necessary to permit the occupancy of disabled persons	5		Points to be decided on a case-by-case basis
Repair or replacement of major building structural components or systems in danger of failing within the next five years	10		10 pts for any of the following:
			Roof/siding
			Heating system
			Electrical system
			Plumbing repair
			Foundation repair
			Structural repair
			Porches/decks
Improvements and reasonable amenities to enhance the quality of living or ensure that the owner is able to market the units to the target population.	3		Points to be decided on a case-by-case basis
Total Score	x/36		

D. Application Procedures

Applicants shall initially submit a completed Housing Trust Fund Application form. The applicant's personal identifying information shall be redacted for the Housing Commission review process. Once reviewed by the Housing Commission, applications which meet scoring criteria to be recommended for loan approval will be asked to submit materials for credit analysis through Opportunities Credit Union.



E. Review Process

The Housing Improvement Program shall follow the review process established for the Affordable Housing Development and Rehabilitation Program in Section II E of this document, with the exception of Section II E 3 b.

F. Terms & Conditions

1. Funding Amount

The maximum loan amount per applicant is \$30,000.

2. Financial Standards

Per MOU with Opportunities Credit Union

Section IV: Down Payment Assistance Program (DPA)

Low to moderate income first time homebuyers are encouraged to apply for this deferred loan program for assistance with the down payment and/or closing costs for a first time home purchase. Repayment will be required upon refinancing or sale of home.

A. Eligibility Considerations

1. Geographic Area

The area served by the Winooski Housing Trust Fund shall include the geographical limits of the City of Winooski, Vermont.

2. Eligible Applicants

a. Low to moderate income first time homebuyers. The buyer's total household income cannot exceed one hundred and twenty percent (120%) of the area median income for the Burlington-South Burlington Metropolitan Statistical Area, as established annually by the US Department of Housing and Urban Development, by household size.

b. Participants must be first time homebuyers defined by HUD as *"an individual or family who has not owned home during the three year period preceding the HUD assisted purchase of a home, except that any individual who is a displaced homemaker may not be excluded from consideration as a first time homebuyer on the basis that the individual, while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse."*



- c. The participant(s) must occupy the home as their primary residence during the term of program assistance.
- d. Participants must qualify for mortgage loan from a bona fide institutional lender.
- f. Participants may not hold more than \$30,000.00 in savings or any other form of liquid asset. Participants must pledge any sum over the \$30,000.00 for down payment or closing costs. (Maximum liquid assets requirement)
- g. Participants must receive a homebuyer education certificate from an approved program.
- h. Be unable to purchase the home without assistance
- i. Utilize all other available resources
- j. Non-resident co-borrowers are not allowed on title

3. Eligible Activities

Funds can be used for down payment on the purchase of a condo, townhome, detached single family home, or owner-occupied duplex.

4. Eligible Properties

- a. The residence to be purchased must be located within the city limits of Winooski.
- b. At the time of initial occupancy, the property to be purchased must meet the City of Winooski current minimum housing requirements.
- c. All owners and purchasers will be provided with a federally approved lead hazard information pamphlet.

B. Eligibility for Down Payment Grant

As an added incentive to applicants who meet these priority criteria at time of application will be eligible for up to \$1,000 of the maximum \$5,000 down payment assistance in the form of a grant:

- Applicants who were Winooski residents prior to home purchase in Winooski;
- individuals employed in Winooski, or
- families with children attending K-12 schools located in Winooski



C. Application Procedures

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D. Review Process

The Housing Improvement Program shall follow the review process established for the Affordable Housing Development and Rehabilitation Program in Section II E of this document, with the exception of Section II E 3 b.

E. Terms & Conditions

1. Funding Amount

The maximum loan amount per applicant is \$5,000.

2. Financial Standards

Per MOU with Opportunities Credit Union

