Application: Occupied Unit Repairs

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 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. Code compliance applications must consider the temporary rehousing of any current tenants during the repair phase.

Program Overview

- VHIP 2.0 offers 10-year forgivable loans at 0% interest of up to $50,000 per unit for repairs needed to bring rental units up to Vermont Rental Housing Health Code guidelines.
- **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 be current on their property taxes and mortgage payments to be eligible for the program.
- Property Owner is required to contribute at least a 20% match of the loan funds prior to first loan disbursement. An "in-kind" match or deferred match timeline may be approved at the discretion of the agency overseeing the project. Funds spent to relocate a tenant or store their personal property count towards the match requirement.
- The Property Owner must sign a Forgivable Loan Agreement outlining that all units assisted must 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 voucher. Units must be rented at these affordable rates for at least 10 years for the loan to be fully forgiven.
- Forgivable loan funds may be considered taxable income. The owner must rent the unit for 10 years at or below FMR 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. I.e., if an owner only leases the unit for 7 years at or below FMR, 30% of funding would need to be repaid.

For Tenant Occupied Units

- Existing tenant(s) must not be permanently displaced by this project. Owners are required to provide accommodations for the temporary relocation tenant(s) and their personal property if needed. It is also expected that temporary relocation will be for the shortest amount of time possible.
- The completed units must comply with the Vermont Rental Housing Health Code and local ordinances, and all applicable National Fire Protection Association (NFPA) Fire & Safety Standard and applicable Certificate of Occupancy requirements.
- Property Owner will provide information on tenants and rents to show they are complying with program requirements. This will include providing contact information and lease copies annually, and the VHIP Owner Compliance Certification to the Department of Housing & Community Development (DHCD).
- Project scope may be reviewed and altered if the property is on or eligible for the State or National Historic Register.
- **Applicants MUST be able to complete the project within 18 months of signing the Forgivable 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.**

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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 and deed for each property
- ❑ Copy of the deed for each property
- ❑ Standard Lease Agreement
- ❑ Completed Form W-9
- ❑ Scopes of work and budget for the project

Additional documents that may be required:

- ❑ Copy of contractor contracts, if available
- ❑ Copy of any applicable permits for final approval
- ❑ Copy of Inspection Report from the local health official or fire department
- ❑ Tenant Notification/Relocation Agreement Form(s) Signed by the Owner and Tenant(s) of each unit
- ❑ Bank statement or loan approval for projects with matches at or above

Incomplete applications will be returned.

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Please complete this application and return with requested documentation to:

Cornerstone Housing Partners
27 Wales St., Ste. 201
Rutland, VT 05701
Email: info@cornerstonehousingpartners.org | Phone: (802) 438-2303

Services Provided by Cornerstone Housing Partners

- 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.

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)? _____

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

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

Required if Owner Does Not Reside in Vermont

Property Manager Name: _____ Property Manager Email: _____

Property Manager Phone: _____

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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.

Total number of units in building: _____ How many units need repairs: _____

Are the units to be repaired vacant? Yes ◯ No ◯ *For vacant units please complete the rehabilitation application.

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

	Unit 6	Unit 7	Unit 8	Unit 9	Unit 10
Apartment #					
# of Bedrooms					

Describe code violations and necessary repairs:

_____

_____

_____

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)

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Section D. Occupancy & Tenant Information

Number of Occupied Units: _____ Number of Vacant Units: _____

Please attach additional sheets If there are more than 4 occupied units.

Occupied Unit 1 Tenant Information

Name(s) of primary tenant(s) or leaseholder(s): _____

Number of Tenants: _____ Apartment Number: _____ Phone Number: _____

Additional Phone Number: _____ Email Address: _____

Add' Email Address: _____ Preferred Communication Method: _____

Occupied Unit 2 Tenant Information

Name(s) of primary tenant(s) or leaseholder(s): _____

Number of Tenants: _____ Apartment Number: _____ Phone Number: _____

Additional Phone Number: _____ Email Address: _____

Add' Email Address: _____ Preferred Communication Method: _____

Occupied Unit 3 Tenant Information

Name(s) of primary tenant(s) or leaseholder(s): _____

Number of Tenants: _____ Apartment Number: _____ Phone Number: _____

Additional Phone Number: _____ Email Address: _____

Add' Email Address: _____ Preferred Communication Method: _____

Occupied Unit 4 Tenant Information

Name(s) of primary tenant(s) or leaseholder(s): _____

Number of Tenants: _____ Apartment Number: _____ Phone Number: _____

Additional Phone Number: _____ Email Address: _____

Add' Email Address: _____ Preferred Communication Method: _____

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Section E. Project Deadline

I understand that if my rehabilitation project is not completed and occupied within 18 months of signing the loan agreement, I will forfeit the unspent portion of the loan, and I will be responsible for any unpaid amounts owed to the contractors that I hire. Cornerstone Housing Partners (HOC) 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 F. Protections for Tenants

Permanent displacement of tenants is prohibited. Accommodations must be provided for temporary displacement of tenants and/or personal property.

Does the owner anticipate temporary displacement? Yes ◯ No ◯ (if no, skip the next 3 questions)

Please indicate the estimated timeframe: _____

Please describe the agreed upon accommodations for the tenant: _____

_____

_____

Please describe the agreed upon provisions for personal property (if applicable): _____

_____

_____

The owner will notify tenant(s), HOC, and DHCD in writing if there needs to be an unanticipated temporary relocation. The owner will also provide all parties with a temporary relocation agreement outlining accommodations for tenant(s) and provisions for personal properties signed by the owner and tenant(s). Note: A Sample Notice is included in this application's Appendix.

Tenant/s has received a signed notice of temporary displacement (if applicable) or notice of upcoming work and agrees to the accommodations outlined above.

Applicant Signature: _____ Date: _____

Co-Applicant Signature: _____ Date: _____

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Section G. Authorization and Acknowledgement

Each of the undersigned attests to **Cornerstone Housing Partners (HOC)** and to the **HOC'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. HOCand its agents, brokers, insurers, successors, and assigns may continuously rely on the information contained in the packet. Each of the undersigned hereby acknowledges that **HOC**, 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: _____

Sample HUD URA document -- with a few modifications

SAMPLE TEMPORARY RELOCATION NOTICE (TENANT)

Grantee or Agency Letterhead
(Date)

Name of Tenant
Address
City, State, Zip

Dear _____,

This notice is to inform you that you will be required to move out of your home on (date) for a period of (number of DAYS– not to exceed X days) in order to complete necessary (rehab/repairs) at your unit.

The conditions of your temporary move are as follows:

- If you choose to stay with a family member or friend and you pay rent during your stay, you must be able to provide the (Agency) with proof of any rental payments.
- You will be reimbursed for all out-of-pocket expenses, including the cost of moving to and from the temporary unit, of changing utilities, of storage, and increased rent.
- If there are no cooking facilities in your temporary unit, you will be provided with an adequate meal stipend.*

*Meal and lodging stipends for displaced tenants shall be determined and set by the U.S. General Services per diem table. Different rates may be agreed upon, in writing, between landlord and tenant prior to the displacement. Here is a link to the per diem rates.

Upon completion of the required (rehab/repairs), you will be allowed to return to the project. The (Agency) will contact you periodically during your temporary move to update you on the status of the rehab/repairs and to assist you with your move back to your home. In the interim, if you have any questions or concerns about the temporary relocation process, please contact (Contact Name) at:

Address:

Telephone Number:

Email Address:

Please keep this notice in your files.

Sincerely, (Authorized Signature)

Sample Non-Displacement Tenant Notification

NOTICE OF UPCOMING WORK (TENANT)

Grantee or Agency Letterhead
(Date)

Name of Tenant
Address
City, State, Zip

Dear _____,

This notice is to inform you that work will be done on your unit/building beginning on (date) for a period of (number of DAYS– not to exceed X days) in order to complete necessary (rehab/repairs) at your unit/building.

[SIMPLE SCOPE OF WORK]

We do not anticipate the need for you to relocate during this period.

If you have any questions or concerns about the temporary relocation process, please contact (Contact Name) at:

Address:

Telephone Number:

Email Address:

Please keep this notice in your files.

Sincerely, (Authorized Signature)