

# City of Essex Junction, VT

## Affordable Housing Height Bonus Criteria and Reporting Requirements

The Vermont HOME Act of 2023, Act 47 (S.100) adds the allowance for an additional floor<sup>1</sup> for qualifying "affordable housing developments", defined in 24 V.S.A. § 4303 as:

*a housing development of which at least 20 percent of the units or a minimum of five units, whichever is greater, are **affordable housing** units. Affordable units shall be subject to covenants or restrictions that preserve their affordability for a minimum of 15 years or longer as provided in municipal bylaws.*

For rental units, 24 V.S.A. § 4303 defines Affordable Housing as:

*housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at 80 percent of the highest of the following:*

- (i) the county median income, as defined by the U.S. Department of Housing and Urban Development;*
- (ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or*
- (iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.*

### Does your property qualify as an affordable housing development?

To qualify, the overall rent of the required "affordable units", inclusive of utilities and fees, must be no more than the maximum rent thresholds based on the criteria above. These limits are summarized on the Vermont Housing Finance Agency's monthly summary here:

<https://www.housingdata.org/documents/purchase-price-and-rent-affordability.pdf>

As of November 2023, the applicable maximum gross rent for affordable units, inclusive of utilities and fees are as follows:

<b>Maximum Affordable Rent by unit type 2023, inclusive of utilities and fees<sup>2</sup></b>			
Studio / Efficiency	1 Bedroom	2 Bedroom	3 Bedroom
<b>\$1,590</b>	<b>\$1,704</b>	<b>\$2,045</b>	<b>\$2,363</b>

### What if some utilities and fees are paid by the tenant?

If some or all utilities are excluded from the rent, refer to the Vermont State Housing Authority's current schedule of "Allowances for Tenant Furnished Utilities and Other Services". These utility allowances are subtracted from the maximum affordable rent.

<sup>1</sup> additional floor beyond what is otherwise allowed in a zoning district, in areas served by municipal water and sewer.

<sup>2</sup> Maximum gross rent are based on HUD guidance stipulating that homes have at least 1 bedroom for every 1.5 people in the household. This means that the affordable rent and purchase price of a 1-bedroom home are based on the average of the median incomes of 1 person household and of a 2-person household as a proxy for the median income of a "1.5-person household". The affordable rent and purchase price for a 2-bedroom home are based on the median income of a 3-person household (i.e., 2 bedrooms x 1.5 people/bedroom = 3-person household). For a 3-bedroom home, the rent and price are based on the average of the median incomes of a 4- and 5-person household.



As of November 2023, the following is a sample of the typical Allowances for Tenant Furnished Utilities and Other Services:

<b>Utility or Service</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>
Natural Gas Heating	\$ 93	\$ 105	\$ 111	\$ 118
Natural Gas Cooking	\$ 4	\$ 4	\$ 6	\$ 8
Other Electric	\$ 38	\$ 44	\$ 62	\$ 79
Electric Water Heating	\$ 28	\$ 33	\$ 42	\$ 51
Water and Sewer	\$ 55	\$ 58	\$ 77	\$ 105
Trash Collection	\$ 78	\$ 78	\$ 78	\$ 78

**Reporting Requirements**

For applicants who wish to utilize the Act 47 height bonus, these requirements may be included by the Development Review Board as a condition of approval. Upon site plan approval, applicants must:

1. Provide the Community Development Department with copies of any covenants or restrictions in place to preserve affordability for at least 15 years.
2. Fulfil annual reporting requirements by December 31 of each year during the 15-year period:
  - a. Submit a completed Affordable Housing Rent Reporting Form,
  - b. Submit copies of the lease documents for all affordable housing units on the property, or by random sampling as requested by the Community Development Department.

