



AMERICAN RESCUE
PLAN ACT
2021

Housing Affordability

Eligible Ways to Use ARPA Funds

VERMONT LEAGUE OF CITIES AND TOWNS



HOW TO USE ARPA MONEY TO SUPPORT AFFORDABLE HOUSING

- + Build new or extend municipal water and sewer systems to support the creation of new homes (rental and homeownership); buy down the cost of connection for income eligible units
- + Create a land bank: buy land and prep it for affordable housing for eventual transfer to a housing developer
- + Provide grants for creating **accessory dwelling units** or home repairs for income eligible homeowners or tenants
- + Fund a portion of the costs of developing safe, perpetually affordable apartments
- + Provide down payment assistance to income eligible home buyers negatively affected by the pandemic (work force, COVID survivors)
- + **Buy down the price** of existing homes for lower income home buyers



OTHER WAYS TO MAKE HOMES MORE AFFORDABLE

- + Form a local **Housing Committee**
- + Conduct a land use regulation **audit** to identify **zoning barriers** to affordable housing
- + Apply for a **state designation**
- + Institute **housing impact analyses** for identifying unintended housing impacts of proposed local policy changes
- + Consider donating or selling municipal land for housing development
- + Support housing projects throughout the development process
- + Find more ideas at housingdata.org/toolbox



HOUSING PROMOTES PUBLIC HEALTH AND ECONOMIC RECOVERY FROM THE PANDEMIC

On average, each home in a new neighborhood spurs \$117,000 in local income and \$22,000 in local tax revenue and supports 1.6 local jobs – in just the first year!

COVID-19 caused disproportionately high rates of job losses, housing instability, and infection rates among low-income Vermonters. By providing more safe, affordable housing, communities address inequities, promote health, and create economic benefits. The need is high but there is a critical shortage in housing supply that forces prices upward. About **38,000 households** across Vermont continue to pay more than 50% of their income for housing and are at high risk of **homelessness**, foreclosure, and eviction. In growing towns, additional homes help **meet demand and mitigate these rising prices**. In towns without **population growth**, investing in existing buildings can revive downtown vibrancy and attract new residents. If your town needs to grow its grand list or tax base, or **fill vacant jobs**, new residents in areas served by municipal water and sewer can help.



ONE VERMONT EXAMPLE

The **City of Montpelier** has modeled effective local approaches for helping housing, including funding some costs of developing **Taylor Street Apartments** and providing down payment assistance to home buyers and grants for creating accessory dwelling units.

Special thanks to Vermont Housing Finance Agency for helping us produce this content.

FIND VLCT'S ARPA RESOURCES AT

VLCT.ORG/ARPA



HAVE AN ARPA RELATED QUESTION? EMAIL ARPA@VLCT.ORG