

**Habitat Criteria and Standard Grant Conditions**  
**Updated January 2, 2007**

**(The following criteria shall be satisfied as part of the application process. At the discretion of VHCB housing staff, any criteria that is not satisfied as part of the application process may be expressed as a VHCB Special Conditions)**

Criteria

1. The maximum subsidy shall be \$22,000 per unit to subsidize the acquisition of land or other capital expenses related to the development of home. A development fee of \$5,000 per unit shall be awarded to organizations with paid staff or for reasonable administrative and professional expenses related to the project.
2. A major portion of VHCB's award may be disbursed to assist in land acquisition, construction, and other project costs prior to the sale of the home. No less than \$2,500 will be disbursed in conjunction with the initial sale of the home to insure that VHCB has an opportunity to review all terms and documentation for the proposed sale.
3. The applicant has demonstrated its ability to complete the project and have built at least one home during the past two years, or is applying in partnership with a non-profit developer with a track record.
4. A buyer selection criteria is in place that meets VHCB approval.
5. The applicant has demonstrated site control and the feasibility of the project.
6. The applicant has substantiated the purchase price of the property by an appraisal or other method acceptable to VHCB.
7. The applicant has demonstrated its ability to meet long-term stewardship responsibilities for the property.
8. For Habitat for Humanity projects an eligible household shall mean a household whose Household Income, at the date of their initial occupancy, is less than 70% of Median Income. For all other projects, an eligible household, shall mean a household whose Household Income, at the date of their initial occupancy, is less than 100% of Median Income.

Affordability Restrictions

An eligible initial purchaser of the homeownership unit shall mean a person or group of persons whose Household Income, at the date of their initial occupancy, is less than or equal to 70% of Median Income, adjusted for family size.

Grantee and the purchaser(s) shall execute a VHCBS Housing Subsidy Covenant of perpetual duration. This Covenant will be prepared by VHCBS staff counsel and shall contain restrictions on conveyance. The Covenant shall include a requirement that whenever an owner intends to sell the unit, Grantee shall have a right to repurchase the unit at a price determined pursuant to a limited appreciation formula approved by VHCBS staff. The Covenant shall also restrict resale, whether by the owner or by Grantee, so that the improvements may only be resold to a person or group of persons whose Household Income, at the date of their initial occupancy, is less than or equal to 100% of Median Income, adjusted for family size.

The VHCBS Housing Subsidy Covenant and a VHCBS Mortgage Deed shall be recorded in the Land Records and shall have priority over all other mortgages securing financing for the project.

#### Standard Conditions

1. Prior to closing, Grantee shall submit for VHCBS staff review and approval the ground lease, housing subsidy covenant, or other document designed to ensure, together with the VHCBS Housing Covenant and the VHCBS Mortgage Deed, the perpetual affordability of the units subsidized with these funds.
2. Prior to closing, the grantee shall notify VHCBS staff of any substantive changes in the project or the project budget that have occurred subsequent to VHCBS's award of funding. All such changes must be reviewed and approved by VHCBS staff.
3. Prior to closing, Grantee shall demonstrate to VHCBS staff satisfaction that the project as proposed complies with all applicable federal, state and local statutes, codes, ordinances and regulations, including those relating to historic preservation and access by persons with physical disabilities.
4. Prior to the closing, Grantee shall submit a preliminary title opinion or title insurance binder and drafts of all legal documents relating to the project for review and approval by VHCBS legal counsel. Within thirty (30) days after closing and disbursement of VHCBS funds, Grantee shall provide a final, updated title opinion or a title insurance policy reflecting the recording and approved priority of all recorded documents relating to the project.
5. Grantee shall give VHCBS staff three weeks prior notice of the initial sale of the home and each proposed resale and provide VHCBS staff with an affordability worksheet for each proposed purchaser. Grantee shall ensure that the homes are sold only to eligible

households as defined the affordability restrictions (above) and the VHCB Housing Subsidy Covenant.

6. Grantee shall notify VHCB staff of any pending foreclosure or other legal proceeding affecting any property subsidized with VHCB funds.
7. Any signs erected on the property that list sponsors or funding sources for the project shall include the Vermont Housing and Conservation Board.