



Downstreet Housing & Community Development  
Serving Lamoille, Washington, and Orange Counties  
22 Keith Ave., Ste. 100, Barre, VT 05641 • 802-477-1343 • vsmith@downstreet.org  
Funds provided by The State of Vermont Agency of Commerce and Community Development  
Revision Date: May 28, 2024

## VHIP 2.0 Preliminary Award Letter

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Dear \_\_\_\_\_:

We are pleased to inform you that your application for the Vermont Housing Improvement Program 2.0 (VHIP 2.0) has been approved on the property located at \_\_\_\_\_ in \_\_\_\_\_, consisting of \_\_\_\_\_ rental units. A \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ has been approved based upon the estimates and scope of work provided with the application. You will be expected to contribute at least \$ \_\_\_\_\_ to the project(s), representing 20% of the amount \_\_\_\_\_.

VHIP 2.0 is funded via State General Funds. The Vermont Department of Housing and Community Development (DHCD) oversees VHIP 2.0 on the State level.

### Please review the conditions outlined below for accepting the awarding of these funds:

- All units repaired under this program must be completed within 18 months of signing the grant or loan agreement.
- Owner must provide:
  - Signed Award Agreement between Downstreet Housing & Community Development and Owner.
  - Signed agreement between Owner and Contractor that includes deadline for scope of work to be completed.
  - Signed and Recorded Rent Stabilization Covenant (for Grants) or Forgivable Loan Agreement and Promissory Note (for Loans). This document must be recorded in the Land Records in the town/city in which the unit(s) reside. Downstreet will indicate whether you or they will record the documents.

### Check which Award Type the Owner Elects:

#### 5-Year Grant. Requirements include:

- Annual certification of compliance with the Rent Stabilization Covenant for five (5) years beginning at the effective lease date.
- Property Owner must communicate with a qualifying referral organization identified in the Award Agreement to identify a suitable tenant. This engagement shall continue at unit turnover for a minimum of 5 years.
- A waiver from the Vermont Department of Housing and Community Development may be provided for a property owner to seek tenants outside of the referral organization, if the organization fails to provide suitable tenant option within 4 weeks of project completion or 3 weeks after the unit has been vacated during the 5-year compliance period.

#### 10-Year Forgivable Loan. Requirements include:

- Annual certification and compliance with the Forgivable Loan Agreement for ten (10) years beginning at the effective lease date.

### Other General Program Requirements:

- Property Owner is responsible for obtaining all necessary permits related to this project.
- Units repaired must pass local Health and Safety and Building Code inspections after work is completed and comply with all local ordinances.

- Property Owner's matching contribution of 20% of the total award will be used in the first round of funding and must be documented via canceled checks issued to the contractor and/or in-kind contributions. Remaining funds will be held by HOC and disbursed directly to the Landlord as repairs are completed and inspected. In-kind services used to meet the matching requirement must be proposed to Downstreet Housing & Community Development and approved at the discretion of Downstreet Housing & Community Development in consideration of Owner's financial ability to comply.
- In-kind matching contributions may be documented via receipts for materials costs and a log of your labor hours charged at a previously agreed-upon fee.
- Funds will be distributed on the following schedule:
  - 35% to commence the project
  - 25% at the halfway point of the project
  - 25% upon satisfactory final inspection of the project
  - 15% upon successful signing of lease of unit
- Any sale of supported property requires permission from the Vermont Department of Housing and Community Development (DHCD). If the property is sold or transferred prior to the fulfillment of the program obligations, the person(s) to whom it is sold/transferred will be obligated to abide by the Rent Stabilization Covenant or Loan Agreement for the remaining term.
- Funds may be considered taxable income by the Internal Revenue Service (IRS) and Owner should work with their tax professional to report them as required.
- Complete and return attached W-9.
- Property Owner attests that they are in good standing with the Vermont Department of Taxes.

Return this award letter with your signature agreeing to and acknowledging the items above. **Upon receipt, Downstreet Housing & Community Development will draft a formal Award Agreement outlining the terms and conditions for use of the funds in further detail. This Award Letter expires on \_\_\_\_\_. Please respond before this date.**

*Your signature on this document and the additional agreements attached confirms that you will comply with the terms and conditions disclosed, and that you intend to abide by the Award Agreement and any associated documentation. Please sign and return this document at your earliest convenience.*

We are pleased to have this opportunity to assist you. If you have any questions regarding this transaction or any other questions, please feel free to contact us at 802-477-1343.

Yours truly,

Downstreet Housing & Community Development

DOWNSTREET HOUSING & COMMUNITY DEVELOPMENT SIGNATURE:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

APPLICANT SIGNATURE ACKNOWLEDGING RECEIPT:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date