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Contact Newfane Administrative Assistant for any questions:

tnewfane@newfanevt.com

802-365-7772



PRESS RELEASE

NEWFANE ANNOUNCES NEW GRANT PROGRAM TO SUPPORT BUILDING LONG-TERM RENTAL HOUSING

The Town of Newfane announces a new housing grant program to support the creation of long-term, rental housing in the town. Owners of eligible apartment or housing units can receive **\$2,000-\$5,000 per year, for up to three years.**

This program offers a cash incentive to Newfane property owners who create new housing units, whether by building new accessory dwelling units or houses, renovating or subdividing existing homes, or by returning properties to use as long-term rentals from private use or short-term rentals. The amount of the annual award is based on the size of the unit created. The program is funded with \$150,000 from the American Rescue Plan Act (ARPA).

Newfane Selectboard Chair Angela Litchfield explained, "We designed this program in the belief that it would be the fastest way to create potentially 10 or more new units within the shortest period of time. We heard Newfane residents loud and clear when they said they said they wanted their ARPA funds used to address housing." Newfane is a small town with no public wastewater system and no town-owned properties that could be developed, so we had to come up with a different approach. Planning Commission Chair Kate Gehring said, "After considering several options, we determined that this would be a great way to support local property owners who want to create new housing. This program invests in our community. It will be administered using resources and personnel that are already in place. We are reinvesting in what's already here - committed property owners with great buildings and properties."

The grant program will be accompanied by a series of information sessions that will be open to the public and will cover such topics as:

- How to select a tenant and write a lease
- Funding renovations and construction as well as working with contractors
- How does eviction work, and how to protect yourself
- State law requirements for rental housing
- Septic capacity and water
- Taxes

Newfane residents can find more information about the program on the Newfane town website or by contacting the Administrative Assistant for a copy of the program's guidelines. The program will be on the Selectboard's agenda on the February 18, 2025 meeting and residents are encouraged to attend to address any questions they may have.

HOUSING GRANT PROGRAM DETAILS

Overview:

The program offers grants to Newfane residential property owners who create new long-term rental housing units or return rentals to the long-term housing market that have been off for over a year.

Eligibility:

The grants are for new housing units for **year-round tenants**. For example:

- Newfane property owners adding new units via creation of an **accessory dwelling unit (ADU)** or an **apartment** through **renovation** or **new construction to subdivide an existing home or build a new one**.
- Newfane property owners **transforming** short term or part-time rentals **into long-term residential units**.
- Newfane property owners **renting units that have been vacant** for more than one year.
- Newfane residents **returning apartments to rental market after evictions**.

This program is intended to help address the shortage of permanent housing in Newfane. Second homes, and seasonal and vacation rentals are not eligible.

Grant Payments:

Grant totals would range between \$6,000 and \$15,000 per grantee and would be paid over a three-year period. Grant recipients must provide an annual certification that the apartment is rented out to a long-term resident tenant who is not an immediate family member.

Grant amounts are dependent on the size of the apartment.

- **New studio apartment:** \$2,000 annually, for up to 3 years >> \$6,000
- **New 1 bedroom apt:** \$3,000 annually, for up to 3 years >> \$9,000
- **New 2 + bedroom apt:** \$5,000 annually, for up to 3 years >> \$15,000

Three-step Process:

- **Step #1: Registration.** A property owner who has a plan to create a new unit, or to return a unit that has been unoccupied for more than one year, registers with the town of Newfane using a simple form that is filed with the Zoning Administrator.
- **Step #2: Grant Agreement.** Once the unit is ready for occupancy and meets state law requirements and Newfane's Zoning Bylaw, and the owner has signed a lease with a new tenant, the registered owner submits the lease along with sworn statements by owner and tenant verifying this information.
- **Step #3: Payment.** After the new unit has been occupied by a long-term tenant for 12 months, the owner submits proof of occupancy to the town. Upon receiving and verifying the owner's documentation, the town will issue the first of three annual payments to the owner. Grant recipients may participate for up to three years.

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