

Rental Incentive Pilot Program to Increase Woodstock's Housing Units

Project Overview

Faced with the rental housing shortage in an increasingly competitive housing and vacation rental market, the EDC Housing Working Group is working to expand housing supply for the local workforce to grow our local economy. This program is designed to increase the appeal to create reasonably priced year-round rental homes. This is a pilot program based on successful results achieved in another town.

The Rental Incentive Pilot Program will offer incentive grants to Short Term Rental or Second Home Owners to lease their property as a Long Term Rental to families and individuals using the unit as their primary residence.

In the 2022 Pilot Program, Woodstock EDC will issue up to eleven grants.

Incentive levels will be dependant on length of participation (1 year or 2 years)

Participants and the EDC will create a legal agreement to ensure participant compliance

This program would be supported by the Housing Advisor whose funding is requested in the grant application Housing Advisor to Support Increasing Woodstock's housing units.

Grant Request

\$35,000

Total Project Budget

\$35,000

Applicant Information

Name of Applicant / Organization / Business

EDC Housing Working Group

Mailing Address

Town Hall, The Green, Woodstock, VT 05091

Name of Project Coordinator

Jill Davies

Contact's Email Address

Telephone

802 291 3695

Organization's Website URL

EIN

03-6003791

Applicant / Organizational Description

The purpose of the Economic Development Commission (EDC) is to plan and implement sustainable economic development in Woodstock, to:

- Increase the number of visitors who are most likely to develop connections to the area and contribute to the economy
- Grow and diversify the resident population to enrich the community and the quality of life.

To plan & implement sustainable economic development in Woodstock, the EDC undertakes the following activities:

- Encouraging and helping existing and new businesses prosper, creating more job opportunities, becoming more environmentally conscious,
 - Making this a livable and welcoming community for a diverse, multi-generational population,
 - Promoting a welcoming, sustainable Woodstock area,
- Improving and making the best use of land, buildings and other physical infrastructure, and
- Developing tools to promote a sustainable economy.

If you are applying on behalf of an organization, what is your total organizational budget?

\$300,000

Project Information**Detailed Project Description**

The Rental Incentive Pilot Program will provide financial incentives for short term rental property owners or second home owners to convert properties to long term rentals for the local workforce.

The detailed process and legal agreement will be drawn up with a lawyer once the grant is awarded. The principles of the program are:

- The program will offer incentives of \$3,000 for a new 1-Year Lease or \$7,000 for a new 2-Year Lease to property owners who have not rented their property on the long-term market in the last 12 months.
- To qualify monthly rents cannot exceed \$1,000 for a studio unit, \$1,500 for a one-bedroom unit and \$1,000 rent per bedroom for a multi-bedroom unit.
- The number of grants will be limited by the funds available.
- Priority will be given to property owners who secure tenants who claim the address as their primary residence and work, or will work for at least 30 hours a week within the Greater Woodstock area (Woodstock, Barnard, Bridgewater, Pomfret, Plymouth, Killington, and Hartland). Permanent residents will be prioritized over seasonal employees.
- Property owner is responsible for tenant selection and background checks. We advise property owners to ensure tenants have a good-standing rental history and provide at least one reference of rental from the previous 36 months.
- The property owner must provide a copy of the signed lease agreement prior to Woodstock EDC releasing the first award payment and are subject to compliance checks of the executed lease agreement, e.g., proof that the lease is active and in good standing from both the property owner and the tenants. The Woodstock EDC reserves the right to revoke and recover any payments if an owner is non-compliant at any stage.
- The home must be a legally permitted rental unit in Woodstock, VT.
- The property must be current with mortgage, taxes and insurance and not on the market for sale.
- To receive the full incentive the property must have a dedicated kitchen, bedroom area, and bathroom that meet the requirements of federal, state and local law pertaining to rental housing, including, without

limitation, relevant provisions of the Vermont Rental Housing Health Code and the Woodstock Zoning Regulations. A building in which people rent accommodations constitutes a “public building” under 30 V.S.A. §2730(a)(1)(D) and is subject to the authority of the State of Vermont Division of Fire Safety or its designee.

Project Timeline

Step 1 (March/April): Create the legal agreement, process and promotional materials

Step 2 (May): Promote and request applications

Step 3 (June): Review and approve applications

Step 4 (July/August/September): Further promotion as needed

Step 5 (November): Review program success

Step 6 (December): Determine if success rate justifies requesting more funds in 2023 EDC Grants

Project Champion

The EDC Housing Working Group is the project Champion. A group of volunteers including: Greg Olmstead; Jill Davies; Jon Spector; Sally Miller; Sarah Stadler and Deborah Greene; and the Planning and Zoning administrator, Neal Leitner; have worked diligently the past 8 months to research what programs have been successful in other communities and to consider how they might be effective in our community. The team's motivation is a desire to create more housing units in Woodstock so people who work in Woodstock can live in Woodstock.

Project Budget Narrative

Grant funds will be spent on

- legal fees to create a standard contract between the EDC and the property owner (\$3,000)
- rental incentive grants (\$32,000)

The EDC funding is the only funding source for this project.

Project Budget - Itemized

Income Category	Total	Applicant	EDC	Other	In-Kind
Grant Funds	\$35,000		\$35,000		

Expense Category	Total	Applicant	EDC	Other	In-Kind
Rental Incentive Grants	\$32,000		\$32,000		
Legal Fees	\$3,000		\$3,000		

What will success look like?

The goal is to create long term lease units occupied by local employees paying reasonable rents.

The number of grants given and leases maintained for the incentive period will measure success.

A grant of \$35,000 has the potential to create ten housing units.

Community support for this project

Community support for this project

This program replicates a successful program in Big Sky, Montana. Big Sky has a severe housing shortage for local employees and an increasing number of housing units owned by second home owners at increasing prices.

Big Sky has converted 48 units in 6 months creating homes for 99 workers. They offer rewards from \$5400 for a 1 bedroom, 1 year lease to \$11,800 for 1 bedroom 2 year lease.

We believe the program will get community support as local workers are able to stay in the area.

Community support for this project

The program will only use EDC funding and will not expand beyond the funds granted. Future funding will be requested from the EDC if the program is successful.



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31 The Green
PO Box 488
Woodstock, VT 05091

Phone: (802) 457-3456
Fax: (802) 457-2329
Email: municipalmanager@townofwoodstock.org