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Career Technical Education Revolving Loan Fund

Established by the legislature in 2022, the **Career Technical Education Revolving Loan Fund** offers an innovative approach to bolstering Vermont's building-trades workforce while creating affordable housing and uplifting our communities.

The fund offers **zero-fee, zero-interest, partially forgivable loans** to any of Vermont's [17 career technical education centers](#) — or their partners — for **projects that offer high-school and/or adult CTE students the chance to expand their skills and gain hands-on experience while:**

- ✓ Expanding affordable housing access through new residential construction or rehabilitation of blighted properties, **or**
- ✓ Improving land to meet critical community needs, **or**
- ✓ Providing substantial community benefit through commercial construction

Eligible CTE partners may include **housing or community organizations, nonprofits, town government** and **private businesses**. Whether led by the CTE or the partner, **each project must offer a substantial educational experience** for students enrolled in construction, electrical, plumbing, design, business management or other CTE programs.

LOAN TERMS AND FORGIVENESS

- Loans up to \$650,000 at 0% interest for a term of up to seven years
- No loan payments for the duration of the project
- Loans repaid in full (lump sum) at project completion or loan maturity, whichever is sooner
- Larger loans, supplemental loans, and term extensions may be considered
- Security will include a mortgage on the property and other collateral
- Loan may support property acquisition, predevelopment, construction or bridge financing.
- Housing projects may involve rehabilitation or new construction of buildings not to exceed four residential units
- Housing must be energy efficient and include a weatherization component
- Applicants may include a development fee
- Loans may be partially forgivable

Working closely with applicants, VCLF will define two areas for **partial loan forgiveness**. These include:

- **For all projects:** Instructor and student wages outside of normal school hours (afternoons, vacations, summer)
- **For projects that create permanently affordable housing:** The identified gap between the total project cost and the takeout financing (i.e., other sources of funds, sale price) when the property will be sold or rented to Vermonters with low or moderate incomes (less than 120 percent of HUD area median income; [see guidelines here](#)).

HOW TO APPLY

The best first step: **Reach out to your local CTE center** to discuss a potential partnership. ([Click here](#) to learn more about Vermont career technical education and find your regional CTE.) Then **connect with VCLF** to brainstorm ideas, learn more or to discuss a project. Here are some of the things we'll want to discuss:

- How will CTE students be involved, either through active participation or observational learning? Will students earn credit, wages or both?
- How will the community benefit? Will this project create housing that's permanently affordable? If you plan to sell at market rate, what sales price is likely?
- What partners, if any, will the CTE work with? We will require a signed Memorandum of Understanding (MOU) outlining the roles and responsibilities of each partner.
- Who will provide project management, insurance coverage, and if relevant, fair wages and benefits (including compliance with labor laws, standards and practices)?
- What additional funding have you considered?
- Do you own the property or have site control? Do you have a plan for ownership and transfer upon completion?
- Can you submit a project cost summary, including all incoming revenue and projected expenses (i.e., source and use budget)?

As this new program gains traction, VCLF is excited to be funding several ongoing projects across the state. Students are earning credit, earning wages, learning skills – and preparing for careers in the trades – by building a tiny home in Middlebury and affordable single-family homes in Randolph and Newport. Partners include Habitat for Humanity, municipal government and a creative Addison County housing nonprofit.

We want to hear from you! To learn more, [download the application at our website](#) or contact:

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