



MEMO

To: Senator Bobby Starr, Chair of the Senate Agriculture Committee
Representative David Durfee, Chair of the House Agriculture, Food Resiliency, and Forestry Committee

From: Julie Curtin, Director of Homeownership, Champlain Housing Trust

Date: February 17, 2023

Re: Funding for the Vermont Housing & Conservation Board

I write to ask you to continue funding for the Vermont Housing & Conservation Board (VHCB) to improve farmworker housing on Vermont farms. The Champlain Housing Trust (CHT) administers the Farmworker Housing Repair program funded by VHCB. CHT began administering the program in early 2022, with input and outreach support from our partners at UVM Extension. The following provides a summary of the program and its outcomes to date.

The repair program provides forgivable loans of up to \$30,000 to make health and safety repairs to existing farmworker housing. The loans are interest-free with no required payments provided that the housing is maintained and used for farmworkers for the full 10-year term. Every year this requirement is met, the principal balance reduces by 10%, reaching a \$0 balance at the end of year 10.

To be eligible for a repair program loan the farmer must make at least \$75,000 in gross revenue from farming activities. The applicant's average adjusted gross income cannot exceed \$900K, the USDA's threshold for eligibility for federal programs. The farmer must demonstrate that there is a need for health & safety related improvements to existing farmworker housing that would not be met without the repair program.

Round 1: In early-2022, VHCB provided \$500K in loan capital for CHT to make repair program loans. The following summarizes the results of this first round of funding:

- 45 farms applied from all Vermont counties except Essex, Bennington and Grand Isle, representing over \$1.8 million in project costs.
- Types of requests/projects:
 - Windows & doors – 19%
 - Insulation – 11.5%



- Structural repairs – 11%
- Electrical Repairs – 11%
- Plumbing – 9.6%
- Bathroom – 9.6%
- Kitchen – 9%
- Roof – 7.7%
- 16 farms received awards: 10 dairy, 3 vegetable, 2 fruit and 1 flower.
- Awards will improve housing for 110 – 135 farmworkers.
- Eight (8) projects are under construction, with four (4) nearing completion.
- Most project costs are \$30K; four (4) are over the \$30K maximum, with the farmer providing additional debt or capital.

Round 2: VHCB has provided an additional \$774K in capital for repair loans. CHT will begin accepting applications for Round 2 this month. UVM continues to conduct outreach for the program. We expect to fund 25 additional projects across Vermont. Farms not funded in Round 1 can re-apply and we expect new applicants.

In addition, VHCB funded a pilot Farmworker Housing Replacement Program to provide loans of up to \$120K to approximately three farms with substandard housing in need of replacement (e.g., a mobile home past its useful life or housing in barns). Working in partnership with UVM, Efficiency Vermont, Migrant Justice: Milk With Dignity and the VHCB Farm Viability program, this pilot program will provide a portion of the funding needed to install Zero Energy Modular homes at these farms. We expect our learning from this pilot to inform future efforts to develop new farmworker housing.

I ask that you continue to support programs that allow us to improve the working conditions of farmworkers and the sustainability of farms. Funding VHCB at its full share of \$27.8 million this year will provide an opportunity to see this program continue. Thank you.