

February 28, 2023

To: Senate Appropriations and House Appropriations

Downstreet Housing and Community Development (Downstreet) is a mission-driven, not-for-profit organization dedicated to equitable access to opportunities for the people of Central Vermont. We use the power of permanently affordable housing as a platform to connect people to the resources they need to thrive and to strengthen the health and future of our local communities. We serve more than 2400 people in Washington, Lamoille, and Orange Counties each year through affordable rental apartments, manufactured home lots, homeownership opportunities, and essential housing-based services.

Vermont Housing Finance Agency (VHFA) predicts that we will need 30,000-40,000 new year-round homes by 2030 to meet expected demand and normalize extremely low vacancy rates. As a state, we need to have enough of the full spectrum of homes, from emergency shelter to market-rate homeownership, so that we can meet the housing needs of all our neighbors. But we also know that our low- and moderate-income residents are most at risk of severe cost burden and homelessness. In the past 20-25 years, there have not been enough new rental homes developed across the state to meet the needs of families and individuals with very low and low incomes, or starter homes for many moderate-income families ready for homeownership.

Vermonters want affordable housing. After a dramatic spike in construction costs left Downstreet with a funding gap for Foundation House, 292 community members from all over Vermont and beyond rallied together to provide over \$400,000 and to make the statement that they care about housing for mothers in recovery and their children. Almost half these funds were small-dollar gifts from everyday Vermonters. This fall, members of Waterbury's Edward Farrar Utility District were given the opportunity to vote to sell Downstreet a plot of land to develop 26 new affordable apartments. Residents self-mobilized and created a website, made yard signs, went door to door, and provided childcare for the night of the vote. A record number of people showed up for an in-person count that was overwhelmingly in favor of affordable housing. Barre City recently conducted a survey, in which respondents identified housing as the number one priority for use of the City's ARPA funds. Downstreet's proposal to reactivate a historic school to create nine new units of subsidized housing was the survey's top-rated project.

Downstreet relies on funding from the Vermont Housing & Conservation Board (VHCB), Vermont Housing Finance Agency (VHFA), and the Department of Housing and Community Development (DHCD) to create the affordable housing that our communities so desperately need and want.

**Funding VHCB at the full statutory level through the Property Transfer Tax** (\$27.8 million in FY24) will support Downstreet's development of community-driven, permanently affordable housing that ensures that all Vermonters have a safe, stable place to call home. Downstreet is

currently in various phases of development to create new affordable rental housing in Barre, Berlin, Montpelier, and Waterbury. Without funding from VHCB, these projects would not move forward.

But our current housing crisis will need more investment of public dollars than full statutory funding of VHCB alone. We need housing of all types and for all Vermonters, and it will be necessary to continue the increased level of investment in housing and innovative solutions that were a result of the pandemic through VHCB, VHFA, and DHCD. We are asking for **\$175 million between the FY23 Budget Adjustment Act and the FY24 Budget to address a variety of needs across the housing spectrum.**

We are grateful for your strong support of affordable housing, and your dedication to making sure all Vermonters have a stable, secure place to live.

Angie Harbin, Executive Director  
[Downstreet Housing & Community Development](#)