

Rebecca Buck

From: Kenn Sassorossi <Kenn@hvt.org>
Sent: Monday, April 06, 2015 9:59 AM
To: Rebecca Buck
Subject: Copy of testimony for advocates' presentation on April 7
Attachments: Senate Appropriations 4-7-2015 Housing Vermont.pdf

Good morning, Rebecca,

Attached is a copy of materials for my testimony at tomorrow's advocate session.

Thanks and please let me know if you have any questions.

Kenn

Kenn Sassorossi

Housing Vermont

VP for Partner Relations

☎ (802) 863-8424 or (802) 861-3814 (Direct Line)

📱 (802) 355-8009 (Mobile)

www.hvt.org

HOUSING VERMONT
Building possibilities.

HOUSINGVERMONT

Building possibilities.



Senate Appropriations Committee

April 7, 2015

Kenn Sassorossi
Vice President for Partner Relations
(802) 863-8424
kenn@hvt.org
www.hvt.org

Vermont Housing & Conservation Board RIGHT ON THE NUMBERS

The Vermont Housing and Conservation Board (VHCB) was established by the General Assembly in 1987. VHCB makes loans and grants to nonprofit organizations, municipalities and state agencies that work on conservation projects and affordable housing developments in Vermont communities. VHCB is one of a few programs of its kind in the country whose mission encompasses the dual goals of conservation and affordable housing, making investments that are critical to Vermont's economic vitality and quality of life.

VHCB has built a national reputation as an innovative, highly effective public agency that helps community groups implement *local* plans to create affordable housing and protect farmland, forestland, natural areas, recreational lands and historic properties. Responding to local needs, VHCB leverages federal and private funds for community development and land conservation solutions ranging from creating supportive housing for veterans to redeveloping underused historic buildings as workforce housing; from conserving recreation areas on Lake Champlain to keeping farms in production and owner-operated. VHCB's bottom-up approach ensures that solutions are tailored to meet local needs and circumstances.

VHCB'S ACCOMPLISHMENTS THROUGH DECEMBER 2014

- **Invested \$284 million** in loans and grants in **over 200 different communities** throughout Vermont.
- **Created 11,600 affordable homes and apartments** to house more than 27,600 Vermonters.
- **Conserved 644 farms** covering over 154,000 acres of land.
- **Conserved 258,000 acres** of significant recreational land, natural areas and 59 historic properties for community use.
- **Leveraged an additional \$1 billion** in federal and private funds.
- **Strengthened Vermont's** agriculture, construction, recreation and tourism **economy**.

THE NEED CONTINUES

- **34,884 lower income renter households lack housing they can afford** with **16,485 paying more than half of their income** for housing expenses. Fully **47.5%** of all Vermont renters pay more than 30% of their income for housing costs. The median price of a primary residence in 2013 was \$200,000, requiring an annual household income of \$57,897 and \$16,299 in cash at closing, while the Vermont median income was \$53,422.
- Homelessness is a growing problem. **On one day in January 2014**, Vermont's shelters and service providers counted **1,556 people who were homeless**.
- Only **10.7 percent of Vermont's best agricultural soils are protected**. Without VHCB protection, much of the rest could be lost forever.
- The **cost of open land and woodlands has jumped by 250%** since 2000.
- Vermont's forestlands are part of the Northern Forest and represent the country's largest remaining stretch of temperate broad-leafed and mixed forests. **Protection of this forestland is critical for sequestering carbon**, which helps mitigate climate change, while still providing for wildlife, recreation, wood products and other uses.
- **Eighty percent of Vermont's forestland is privately owned**, and the number of Vermont landowners owning fewer than 10 acres of land continues to grow, according to the Vermont Department of Fish and Wildlife.
- According to the USDA, each year **thousands of acres of productive cropland are taken out of production** and converted to other uses. By comparison, in 2013 all 828 conserved farmland parcels with easements held by the Vermont Land Trust were in active agricultural use, except for one farm that is part of the USDA Natural Resource Conservation Service wetland reserve program. NRSC funding provides at least one-half the cost of Vermont's farmland conservation projects.



VHCB is a national leader in implementing the federal HOME program. From FY 1992 through FY 2014, this brought over \$75 million to Vermont for affordable housing. HUD ranked Vermont's program as first in the nation.

Over \$800 million spent on construction jobs in VHCB-assisted housing projects have created approximately 28,000 jobs in Vermont, according to federal estimates.

VHCB has funded more than 115 local developments serving Vermonters with special needs, providing community-based housing and saving the state millions of dollars that would otherwise be spent on more expensive institutional care.



Photo credit: Sarah Keenan

Every dollar spent on Vermont agriculture and forestry products generates an additional \$1.80 and \$1.70 respectively in gross state products.

A recent study of farms that donated or sold conservation easements found that all remained in productive use.

In-state expenditures by hunters, fisherman and wildlife watchers totaled \$357 million according to the US Fish and Wildlife Service's most recent report.

Conservation provides resiliency for Vermont communities because it keeps land in productive use through transfers to the next generation and to new owners with solid business plans.

VERMONT HOUSING AND CONSERVATION BOARD BEYOND THE NUMBERS

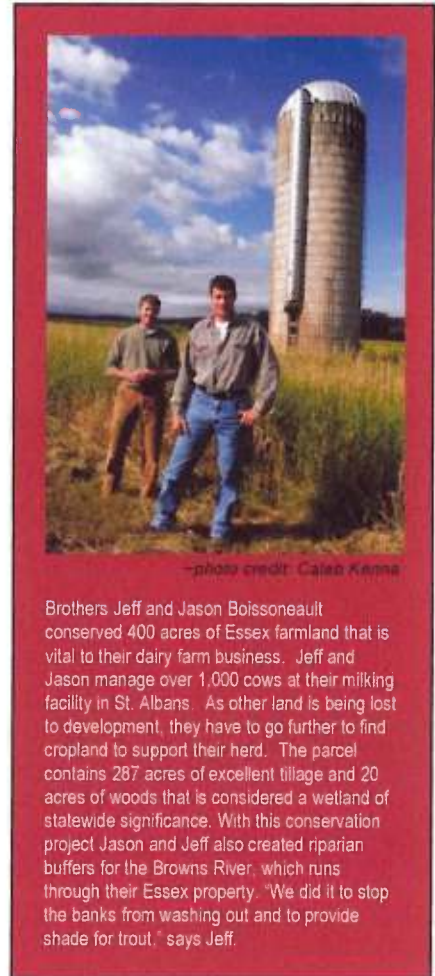
STIMULATING ECONOMIC DEVELOPMENT

VHCB-funded affordable housing creates jobs during and after construction. According to the National Association of Home Builders, 12.2 short-term and 3.2 permanent local jobs are created for every 10 housing units constructed. Affordable housing also helps to attract and retain employers by providing sorely needed workforce housing.

VHCB's housing and historic preservation policies give priority to projects in downtowns and village centers. Rehabilitating downtown buildings helps to maintain a mix of commercial and residential uses. VHCB has invested in the redevelopment of a cinema in downtown Springfield, restoration of theaters for the performing arts in Brattleboro, Rutland and Burlington, and new facilities for a community library in Groton.

Conservation of our working lands and natural areas is an economic development engine that helps protect local farms, creates recreational access, assists with flood protection, water quality and supports tourism and rural vitality. Farm and farm-related sectors are responsible for 17% of Vermont's gross state product. The USDA reports that Vermont agriculture generates 11% of jobs in the state. The Vermont Dairy Industry brings \$2.2 billion in economic activity to Vermont annually, according to a new study funded by the Vermont Dairy Promotion Council.

The Vermont Farm & Forest Viability Program works to enhance the economic viability of Vermont's working lands businesses by providing business planning and targeted technical assistance to farm, food and forestry enterprises. In 2013, 83 farms and 9 value-added food businesses were provided services. The program is currently enrolling its first group of forestry and forest products enterprises. The program enables business owners to make significant improvements in managing their business, generating profits, accessing financing, increasing production and implementing business expansions and ownership transitions.



Brothers Jeff and Jason Boissoneault conserved 400 acres of Essex farmland that is vital to their dairy farm business. Jeff and Jason manage over 1,000 cows at their milking facility in St. Albans. As other land is being lost to development, they have to go further to find cropland to support their herd. The parcel contains 287 acres of excellent tillage and 20 acres of woods that is considered a wetland of statewide significance. With this conservation project Jason and Jeff also created riparian buffers for the Browns River, which runs through their Essex property. "We did it to stop the banks from washing out and to provide shade for trout," says Jeff.



The Environmental Protection Agency presented Housing Vermont, the Windham & Windsor Housing Trust, and the Brattleboro Food Co-op with the 2012 National Award for Smart Growth Achievement for an innovative multi-use building in downtown Brattleboro. The new building provides 33,600 square feet of retail and office space for the Co-op on the first two floors and 24 affordable apartments on the top two floors. A sophisticated mechanical system recaptures waste heat produced by the store's refrigeration equipment to heat the apartments.

Many farmers use the proceeds from the sale of development rights on their property to expand their operation, reduce debt, build new barns, or transfer the farm to the next generation. Farm businesses on conserved land produce over 500 value-added products, support many Community Supported Agriculture (CSA) enterprises and farm stands, and help to create food security for our state. Conserved farms also contribute to retail and wholesale markets, selling food both in and out of state. Protecting our forestland prevents fragmentation and secures the future for our forest and recreational industries. Additionally, conservation supports Vermont's annual \$1.5 billion tourism industry by protecting our special Vermont brand which depends upon our world-class landscape and access to natural area recreation. These investments bring additional returns by spurring economic growth, both in the agricultural sector and by encouraging outdoor recreation activities and promoting travel and tourism, maintaining Vermont's high rank as one of the world's great tourist destinations.

PROMOTING ENERGY EFFICIENCY AND MINIMIZING CLIMATE CHANGE



In West Rutland, the Housing Trust of Rutland County created 21 affordable apartments in three buildings, including the former St. Stanislaus Kostka School and the adjacent convent. The development is a prototype for energy efficiency in historic buildings and returning vacant buildings to productive use. A single wood-fired pellet boiler provides heat for both buildings while solar panels preheat the domestic hot water.

VHCB has been a national leader in creating energy efficient housing both in new developments and in the existing portfolio of permanently affordable housing. VHCB spearheaded the creation of a “roadmap” which describes techniques and materials we can use now to build energy efficient apartments. Notably, VHCB secured additional federal and philanthropic funding to implement the roadmap, including the installation of solar hot water and wood-pellet boilers. These upgrades will produce energy savings averaging 39% and as high as 56%.

Housing and conservation mean energy efficiency, shorter commutes, carbon sequestration in our forests, and foods coming from our local farms. Also, many Vermont farmers are at the forefront of devising new methods for creating on-farm energy through methane digesters, wind turbines, and bio-fuels. By protecting working farms and forests we are creating options for future energy independence.

RESPONDING TO NEEDS CREATED BY TROPICAL STORM IRENE

Vermonters demonstrated remarkable resilience and a renewed sense of community spirit in the aftermath of Tropical Storm Irene. VHCB and the network of affordable housing and conservation nonprofits that it supports helped communities meet their diverse needs.

Irene confirmed the value of conserving floodplains, which provides a cost-effective method of reducing flooding and erosion. Conserving farms and natural areas along our rivers and tributaries with river buffer enhancements helps absorb the impact of severe weather events.

VHCB provided \$2 million to help homeowners who wanted buyouts of their destroyed homes and towns that sought to convert those parcels to open space or park land. These investments along river corridors address the challenges of climate change and promote flood resiliency. VHCB’s Manufactured Housing Innovation Project responds to the loss of housing during Irene and increases the supply of quality affordable, resilient and energy efficient homes.

PROTECTING WATER QUALITY

VHCB’s investments in land protection are helping to protect and enhance water quality and reduce flood and erosion risks.

- In FY 2014 and 2015, 60% of VHCB’s farmland conservation projects included water quality protection practices in the conservation easement. 80% of the farms in the current project pipeline contain waters that will be protected.
- Conserved forested lands protect water quality by filtering sediment and nutrients from runoff before entering streams, producing the cleanest water and the greatest reductions in downstream flood flows.
- VHCB has received USDA matching funds on a 1:1 basis for all farm conservation projects. All projects include management plans to address soil conservation and water quality protection.
- VHCB Conservation and Farm Viability funding is integral to the recently awarded \$16 million grant through the Regional Conservation Partnership Program to improve Lake Champlain Basin water quality. The State pledged \$6.5 million in VHCB conservation funding over the next five years to match these funds.



—photo credit: Jerry and Marry Monahan

The Trust for Public Land worked with the Millstone Trails Association, Vermont Land Trust, and the Town of Barre to create a new community forest out of 355 acres of former quarry land. The Barre Town Forest is part of a 70-mile trail network built by volunteers with the non-profit Millstone Trails Association. The trail network provides recreational opportunities for mountain bikers, cross country skiers, hikers, hunters, and snowmobilers. A recent economic analysis estimates that the Town Forest and trail system will result in an annual economic benefit of \$640,000 from visitor spending and support 20 local jobs by 2015.

Publication of the Vermont Housing and Conservation Coalition

The more than 50 private, nonprofit organizations which are members of the Coalition represent a wide spectrum of interests from small, community-based land trusts which secure and steward public and recreation areas to statewide developers of affordable housing.

Housing Vermont Projects Completed in 2012-2014

Project	Location	Hard Construction Costs (Excludes A & E)	Additional Economic Impact	Total Economic Impact	Jobs
City Neighborhoods	Burlington & Winooski	\$3,909,719	\$7,702,146	\$11,611,865	137
Wharf Lane	Burlington	3,610,550	7,112,784	10,723,334	127
Roaring Branch Apartments	Bennington	4,261,418	8,394,993	12,656,411	150
Canal & Main Apartments	Brattleboro	3,799,677	7,485,364	11,285,041	133
Windsor Village	Windsor	4,770,446	9,397,779	14,168,225	167
Avenue Apartments	Burlington	5,391,512	10,621,278	16,012,789	189
Vergennes Senior Housing	Vergennes	4,426,177	8,719,569	13,145,746	155
Lakebridge Apartments	Newport	3,675,248	7,240,239	10,915,487	129
2012 Subtotal		33,844,747	66,674,151	100,518,897	1,188
Algiers Family Housing	Guilford	\$3,322,353	\$6,545,035	\$9,867,388	117
Hickory Street Apartments, Phase 2	Rutland	5,013,121	9,875,848	14,888,969	176
Lamoille View Housing	Morrisville	1,453,641	2,863,673	4,317,314	51
West River Valley Assisted Living, Phase 2	Townshend	1,908,065	3,758,888	5,666,953	67
2013 Subtotal		11,697,180	23,043,445	34,740,624	411
Harrington Village	Shelburne	7,645,760	15,062,147	22,707,907.2	268
Bobbin Mill	Burlington	5,311,879	10,464,402	15,776,280.63	186
Arthur's Main Street Housing	Morrisville	3,179,919	6,264,440	9,444,359.43	112
Maple Street	Hardwick	1,368,651	2,696,242	4,064,893.47	48
Rail City	St. Albans	1,139,415	2,244,648	3,384,063	40
2014 Subtotal		18,645,624	36,731,879	55,377,603	654
TOTAL		\$46,541,926	\$89,717,595	\$135,259,522	1,599

According to the U.S. Bureau of Labor Statistics, every \$1 million invested in housing rehabilitation creates 14.1 on-site jobs, 21.1 off-site jobs and 25.4 in ripple effect jobs

The Value of Investments in the Vermont Housing and Conservation Board

Rob Naylor, President, Naylor & Breen Builders

Established in 1978 as a small construction company, Naylor & Breen Builders transitioned into a commercial general contractor in the early 90's. From those early days, our company has grown to employ almost 100 people with a 2014 sales volume of over \$25 million. Upon being asked to participate in this session, I took the opportunity to review my company's history of the projects we have completed over the last 20 years.

What becomes evident upon this review is that we have been busy and we have undertaken all types and sizes of construction. Our completed projects have included public schools and institutional facilities, retail and office buildings, convenience stores, storage and mail order facilities, condominiums and private multi-family housing, inns and restaurants, banks, professional offices, personal residences, fitness centers, taverns, State and municipal buildings, museums and art centers, elderly housing and assisted living—we even built a commercial tree house. It seems to go without saying that when you are a contractor in the small community of Vermont, you don't get too specialized.

Or so I thought until another statistic showed up in my review. By my count, N&B has taken on about 170 major projects over the last 20 years. And I found that of those, 34 (or 20%) have been affordable housing projects for the various non-profit housing organizations throughout the State. And by volume, the almost \$60 million in contracts we have completed for these organizations represent over 30% of our total revenue. So . . . I guess we do specialize. Although I am not privy to the financial details of these ventures, I am close enough to them to know that VHCB has played



a vital role in most, if not all, of the financing packages for these affordable housing projects. They have been instrumental in developing such vital projects as Hickory Street (which is the revamping of the Forest Park public housing development) in Rutland, Brookside Village Apartments in Colchester, rehabilitation of the Salmon Run Apartments in Burlington, Graystone Housing in White River Junction, family housing in Bennington, revitalization of the old Brandon Training School into affordable housing, the revitalization of the old Bobbin Mill in Burlington, and the rehab of the Watkins School in Rutland, just to mention a few.

"the affordable housing projects that we are involved in today are some of the most durable, energy efficient and cost-effective projects in the industry."

Suffice it to say that we've been at this a long time, such that way back at the inception of the

local movement for affordable housing we were in diapers, so to speak, with VHCB and their various nonprofit partners. Since this early beginning, we have witnessed the growth of these organizations and the effect that their commitment to their mission has had with respect to the magnitude and quality of the projects that they turn out.

We have seen these non-profit developers emerge as some of the most respected people in their field, demanding comparable expertise and efficiencies from the professional architects, engineers and contractors, that become part of their team. Because of this, the affordable housing projects that we are involved in today are some of the most durable, energy efficient and cost-effective projects in the industry.

The obvious benefactors of these projects are the ones for whom they are intended. Literally thousands of affordable living units have been provided in essential neighborhoods to those that need it the most. In my own town of Brandon, a number of my own employees live in the affordable units that were developed at the old Brandon Training School.

But in addition to the obvious, the residual benefits of these projects are incalculable. Along with providing jobs for the locals, each of these projects provides a little mini boon for the local economy. These are major projects that plant upwards of a hundred tradesmen in a single location for up to a year.

VHCB-funded affordable housing projects provide consistency. During the economic slump of 2008, when basically the whole economy shut down and the construction spigot was shut off, the one major project left

standing for Naylor & Breen was the VHCB-backed Hickory Street development in Rutland. A project that had long been in the planning stages for the rehabilitation of one of the neediest neighborhoods in the State. This project was a survivor in an economic time not seen in my business lifetime.

“the residual benefits of these projects are incalculable. Along with providing jobs for the locals, each of these projects provides a little mini boon for the local economy. These are major projects that plant upwards of a hundred tradesmen in a single location for a year.”

N&B’s P&L statement typically makes cyclical swings through the years just as the rest of our economy with periods of high times and lows but when reviewing the chronology of our affordable housing projects, I was not able to single out any indicator of these economic swings. There were no extended stretches without projects and no blocks of time indicating inordinate high activity. This signifies to me that one of great attributes of VHCB-funded projects is the consistency with which they are developed and delivered.

This is a consistency that is unique in our industry and greatly appreciated by an employer whose payroll seems to come due with that same fierce consistency.

We do appreciate our positive history with VHCB and their partner organizations and we want to wish them continued success.

Comments made at the February 13, 2015 Joint Meeting of the House General, Housing & Military Affairs Committee and the Senate Committee on Economic Development, Housing and General Affairs.



Hickory Street, Rutland
Redevelopment of former Forest Park Public Housing
56 apartments and community space in two phases



Roaring Branch Apartments
Scattered site new construction and
renovations of 26 apartments



Canal and Main Apartments, Brattleboro
24 new construction apartments above the Brattleboro Food Co-op



Union Square Apartments, Windsor
Gut rehabilitation to create 58 family apartments



Harbor Place, South Burlington
Champlain Housing Trust emergency housing with services



Missisquoi Manor, Richford
24 rehabbed apartments with federal rental assistance for seniors



Safford Commons, Woodstock

28 New construction and rehabilitation apartments scheduled for completion in August 2015



Harrington Village, Shelburne

42 new construction apartments and 13 acres which were donated to the Town and protected through a conservation easement