House Committee on General, Housing and Military Affairs

Housing Bond

January 31, 2017

Housing Bond Proposal

- Governor Scott is proposing a revenue bond that would produce approximately **$35 million** as the main element of a *Housing for All Initiative*.

- VHCB's annual state appropriation comes mainly from Property Transfer Tax receipts as directed by statute.

- The Governor recommends $12,304,840 for VHCB from the PTT and an additional $4,000,000 from the Capital Bill. This represents a $1 million increase from FY17.

- VHCB will administer the proceeds and $2.5 million in transfer tax revenue will be dedicated to paying debt service on the bond.

Housing Bond Proposal

- Revenue bonds are payable from and secured only by a specific source of revenue and are not a general obligation of the state.

- The proposal does not affect Capital Bill bonding under the Debt Affordability Cap.

- The proposed funding source is revenue from the property transfer tax.

- The administration proposes the dedication of $2.5 million to the payment of the bond through 2038, which will require a statutory change.

- Bond to be issued by VHFA or State Treasurer for maximum yield and leverage.

Housing Bond Proposal

Targeting:

• At least 25% of the housing will be targeted to middle income Vermonters (households between 80 and 120% of median income).

• At least 25% of the housing will be targeted to very low income Vermonters (households below 50% of median income).

Median Incomes

- Statewide median income for a household of four is $70,200.

- 120% of median for a household of four is $84,240

- 80% of median for a household of four is $56,160

- 50% of median for a household of four is $35,100

- 30% of median for a household of four is $21,060

- Varies by county.

Public-Private Partnership
NEW TOWN CENTER in SOUTH BURLINGTON

Housing for the Vulnerable

Bond will allow the creation of more supportive housing
like the Phoenix House in Barre Town –
sober living for former inmates living with addiction

Rental Housing

New rental housing will be created around the state like Elm Place which will soon add 30 new homes to Milton in Vermont's first certified *Passive House* rental development.

Homeownership

VHCB will ramp up its homeownership programs to serve Vermont's moderate income households under this proposal.

Has helped more than 1,000 households purchase new homes across the state including these in Windham, Chittenden, Rutland and Bennington counties.

High Energy Performance Modular Homes

34 have been placed across Vermont and 2 mobile home parks, one in Waltham and one in Hardwick, are replacing older mobile homes with Vermods with VHCB support.

Community Challenges and Opportunities

Cornerstone building in St. Johnsbury has vacant commercial space on the street level and many apartments in very poor condition above making redevelopment a top priority for the community.

With a $20,000 grant from VHCB, the City of Newport has begun planning for the redevelopment of the vacant block in the heart of its downtown.

Community Challenges and Opportunities

Efforts to redevelop the historic Woolsen Block in Springfield depend upon funding becoming available.

The Woolson Block, Springfield, Vt.

New Neighborhoods

Building renovations and new developments will be possible like Hickory Street, a redevelopment of public housing units in Rutland.

Need for Housing

- Vermont Futures Project of the Vermont Chamber of Commerce has set a growth target of 5,000 new and improved housing units annually.

- Roadmap to End Homelessness calls for 180 new units for permanent supportive housing and 1,251 new homes affordable at 30% of median or below.

- 2015 statewide housing needs assessment by Bowen National Research found the largest gaps in housing affordable to households below 30% of median and between 85% and 120%, although need was across the income spectrum.

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