

\$35 Million Housing Revenue Bond

Bond proceeds will pay for the development and improvement of ownership and rental housing for very low to middle-income Vermonters – protecting the most vulnerable while creating new homes for workers.

VHCB has committed \$1.5 million from its budget. An additional \$1 million appropriation is required to cover annual debt service of \$2.5 million for 20 years that will yield approximately \$35 million and leverage \$70-100 million in other funding for housing development.

Finding that \$1 million will bring many short and long term benefits to Vermont:

1. 550 to 650 new and renovated homes around the state from supportive housing for the homeless to mixed income housing developments.
2. Stronger revenue base.
3. Reduced pressure on budget in benefit programs.
4. A less costly mechanism for responding to federal cuts.
5. Proportion of PTT appropriated for housing has declined over the last several years.
This will help make up the gap and help alleviate the current housing crunch.

Impact on Jobs

1. Construction or rehab of **550 to 650 affordable homes** to Vermonters at a range of incomes
2. Leverages an additional **\$70 to \$100 million in economic investment** in our communities statewide
3. Creates as many as **780 construction related jobs** across the state
4. Sustains between **165 and 200 local jobs** in communities where housing is built

Examples of Impact of Housing Development – Beyond the Benefits to Residents

Health

In the process of evaluating an effort to house chronically homeless individuals, the UVM Medical Center studied the health cost impact and found **a savings of \$14,300 per person housed** in one year. Collectively, the savings to charity care and Medicaid from the 32 individuals studied was almost \$500,000.

Property Taxes and the Education Fund

In Shelburne, new housing developed **increased the annual property tax payments for the parcel from \$12,000 to over \$90,000.**

Similarly, in Burlington, 188 apartments were developed on property formerly owned by the State. This **property's tax bill has gone from zero to almost \$400,000.**

Jobs & Economy

In Morrisville, the renovation of Arthur's department store into apartments hasn't just breathed new life in the downtown. The \$5.5 million redevelopment involved **hiring more than 90 workers**, including 12 professionals such as engineers and architects, 30 contractors and trucking company employees for environmental cleanup and site work, and 50 plus carpenters, plumbers, electricians and the like.

Why the Time is Now

Not doing the bond would be a tremendous missed opportunity.

1. The chance to do something big and meaningful is rare.
2. \$35 million is only half of the \$70 million proposed by Poverty Council based on the needs of the people they are trying to serve. Any smaller proposal would be "less than half a loaf."
3. Treasurer, VHCB, VHFA and Administration are aligned on mechanism and funding source. A unique moment. Poised to move quickly to implement.
4. Time to act is now. Waiting will likely increase the cost of both issuance and the interest rates on the bond.
5. In some parts of the state, there are many development sites already permitted or hundreds of homes that can make a big difference and alleviate pressures on housing prices and Vermonters if built soon.
6. Construction and financing costs are likely to continue going up.
7. Deficit in housing units is not going away. Waiting to address it will only become more costly.

Short and long term economic benefits of bond are direct and clear. (Other budget needs are critically important, too. But investments in housing development builds revenue base benefiting all program areas in the future.)

Federal programs for housing development will be reduced if not eliminated. Annually, state gets HOME (\$3m), National Housing Trust Fund, (\$3m) and CDBG (\$4m for housing). \$1 million for bond now will help offset these losses by \$35 million. There will be many demands to replace federal funding across the state and programs. If not done now, it's likely that dedicating \$1 million to bond now will look like a missed opportunity once the federal cuts begin.