



Vermont Housing & Conservation Board

Senate Appropriations Committee

April 7, 2017



VHCB Results: FY 2016 and FY 2017

What we accomplished

State Investment:

\$18.3M; \$125M Leveraged

840 Affordable Homes and Apartments

49 Farms; 6,303 Acres

18 Natural Areas; 7,200 Acres

162 farm, food and forestry businesses
assisted with business planning

VHCB Program Impacts

- Enhance opportunity for homeless and other vulnerable Vermonters
- Improve Water Quality
- Support our Rural Economy
- Create More Homes for Workers
- Make Communities Flood Resilient
- Meet Vermont Energy and Climate Goals



Downstreet Housing & Community Development and Housing Vermont are planning to develop housing in the upper stories of the French Block in downtown Montpelier, which has been vacant for more than 70 years.

Kingdom Trails Association

East Burke



- This tourism destination has a 110-mile trail network, drawing more than 80,000 riders a year to the Northeast Kingdom—a low-impact, high-value economic driver.
- Riders pump an estimated \$8 million annually into area businesses and rental properties.
- Kingdom Trails hosted one of the largest mountain bike expos in North America in 2016, drawing 5,800 riders, spectators and vendors over 3 days.
- Buffers along almost 1 mile of the Passumpsic River.



McKnight Lane in Waltham provides 14 net-zero energy modular rental homes manufactured in Wilder Vermont. The new neighborhood replaces vacant, deteriorated mobile homes on a brownfield. Developed by the Addison County Community Trust with Cathedral Square Corporation.

Lisa MacDougall Mighty Food, Shaftsbury



- Lisa MacDougall established her organic vegetable business, Mighty Food Farm on rented land in Pownal 10 years ago.
- She completed a business plan with the Farm & Forest Viability Program.
- Lisa was able to buy a 154-acre farm in Shaftsbury by selling a conservation easement through the Vermont Land Trust's Farmland Access Program.
- Lisa employs 10-12 people during the growing season, and sells to more than 200 CSA member households each year, in addition to selling to wholesale accounts.
- The conservation easement includes special protection of a small wetland.

KAISER FARM, STOWE



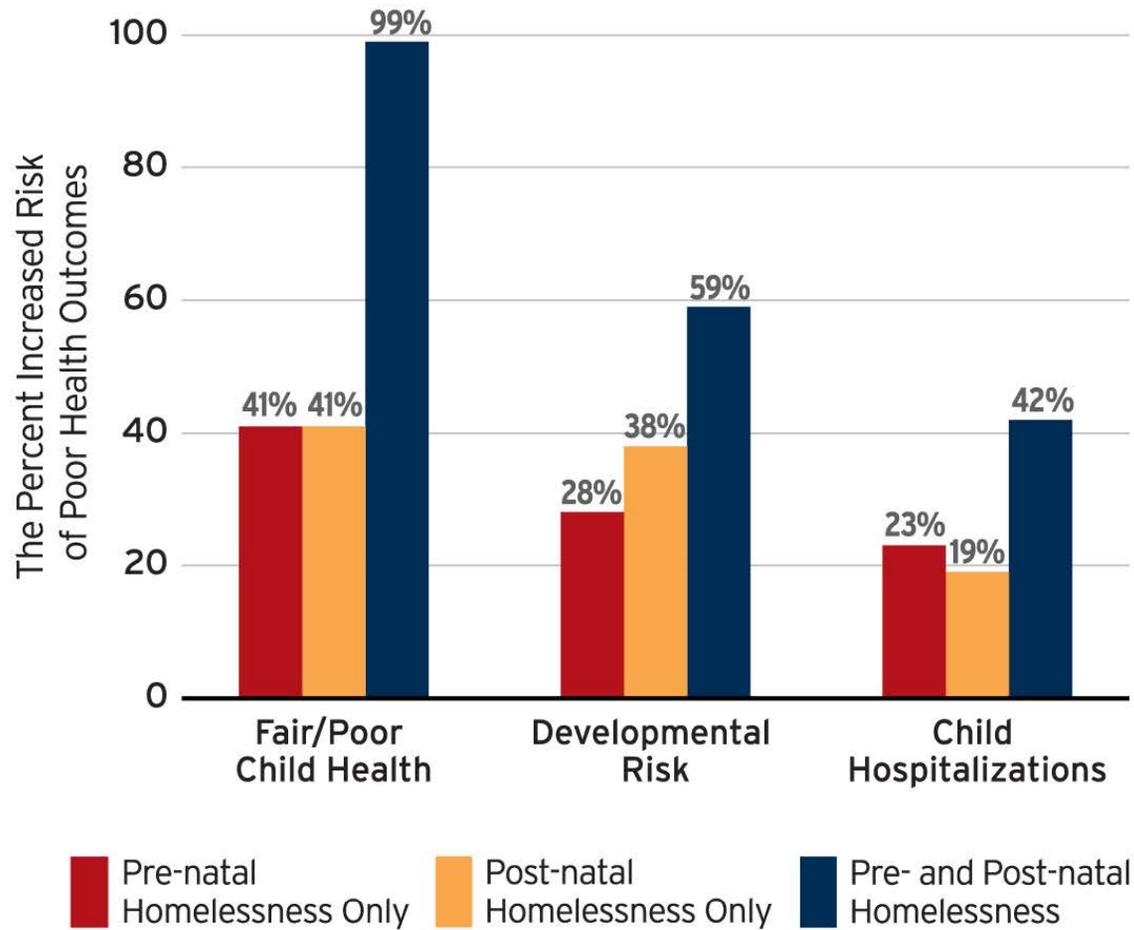
- The Vermont Land Trust's Farmland Access Project and the Stowe Land Trust worked with young farmers Andrew and Annie Paradee, enabling them to purchase the Kaiser Farm for their planned, diversified sheep and vegetable operation (Long Winter farm).
- Selling the conservation easement made the farmland affordable and allowed the owner, Christine Kaiser, to retire and sell while keeping the land in farming.
- The easement includes water quality provisions for frontage along Miller Brook, stipulating a forested buffer between the fields and the waterway.
- The Paradees also are enrolled in VHCB's Farm & Forest Viability program, working with the Intervale Center on business planning.



Applegate Apartments, Bennington

This 47-year old family housing development is being modernized with energy, accessibility and code improvements to 104 apartments in 24 buildings. A central biomass heating system will replace 29 oil boilers, saving 40% on heating costs and at least \$85,000 annually.

FIGURE 1
Compounding Effect of Homelessness on Child Health



The comparison group for these data is children who were never homeless.

All findings statistically significant at $p < .05$.

Source: Children's HealthWatch Data, May 2009-December 2014.



SASH: Coordinating Health Care at Housing Sites

Reducing Medicare expenditure growth by \$7.6 Million Annually

5,000 participants at 140 sites;

Reductions in Medicare expenditure growth of \$1,536 per person annually

Housing for Former Prisoners and Individuals Recovering from Addiction

Saves the Correctional System \$4.4 Million

97 Beds in 9 Facilities in Burlington, Rutland, Winooski, Hartford, Barre, and St. Johnsbury

Transitional Housing for Homeless

Saving the General Assistance Program Approximately \$350,000 Annually

Harbor Place, Shelburne – less than hotel vouchers; households are 5 times more likely to find long-term housing than those placed in private motels

Housing for Medically Vulnerable, Homeless Individuals

62% Savings in Medical Costs over 12 months

Beacon Apartments, South Burlington



Housing as an Economic Driver

VHCB's investment of \$16 million from 2011 to 2016 in 1,040 homes generated \$147 million in construction work, \$265 million in additional economic impact, and 4,728 jobs.*

Long term economic benefits include increases in property tax revenues and grand list values as well as reductions in state benefit programs.

*source: U.S. Bureau of Labor Statistics and Housing Vermont

Need for Housing

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

Housing Bond Proposal

Targeting:

- At least 25% of the housing will be targeted to very low-income Vermonters (households below 50% of median income).
- At least 25% of the housing will be targeted to middle-income Vermonters (households between 80 and 120% of median income).

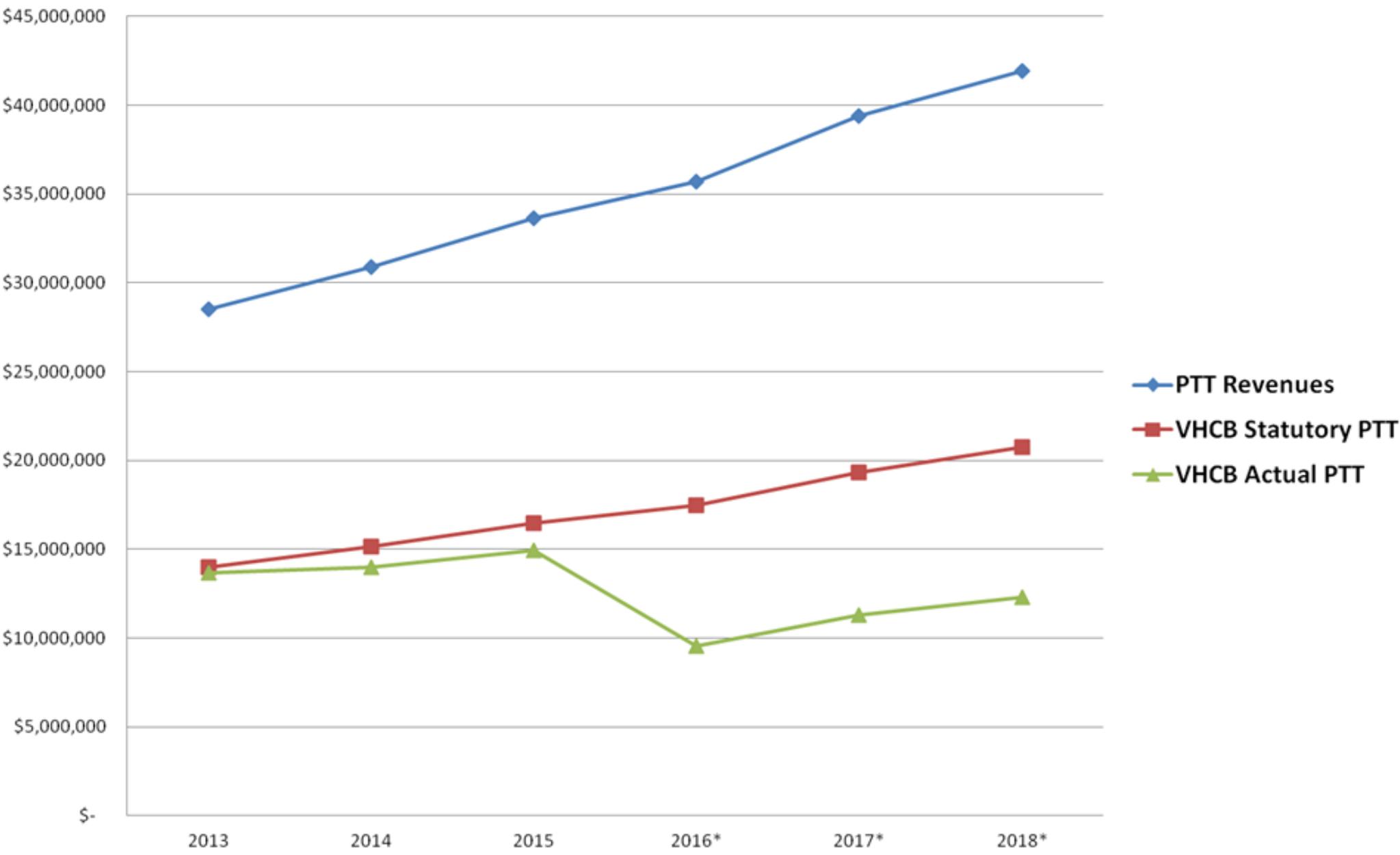
Median Incomes:

- Statewide median income for a household of four is \$70,200.
- 120% of median for a household of four is \$84,240.
- 50% of median for a household of four is \$35,100.

Housing Bond Proposal

- The proposed repayment source is revenue from the property transfer tax.
- The administration proposes to increase VHCB's transfer tax revenue by \$1 million and to dedicate \$2.5 million to the payment of the bond through 2038, which will require a statutory change.
- Bond to be issued by VHFA with debt service provided by VHCB.
- VHCB will administer and award the funds for projects around the state.

Property Transfer Tax, VHCB and the General Fund



Notes:

- *additional funding through Capital bill: \$4.5M in FY16; \$4M in FY 17; \$4M proposed in FY18.
- \$14.7 million additional to General Fund from FY13-18
- 2018 as proposed by Administration and includes \$1 million for revenue bond.



Community Challenges and Opportunities

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





Homeownership

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

Has helped approximately 1,500 households become owners in 1,000 homes across the state including these in Windham, Chittenden, Rutland and Bennington counties.



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.



New Neighborhoods

Safford Commons in Woodstock

The 28 apartments in this new affordable neighborhood were leased up in ten days. The site includes space for homeownership units when funding is available.

BURLINGTON COLLEGE LAND CAMBRIAN RISE HOUSING MASTER PLAN



Architect's illustration of proposed housing – a mixed income development with 700 new homes composed of family rental, senior housing and homeownership condominiums.

**Vermont Housing & Conservation Board
FY2018 - Based on Governor's Recommend
SOURCES & USES**

PROGRAMS/GRANTS:	Housing & Conservation (Trust Fund)	NRCS ALE (Fed)	NRCS RCPP (Fed)	Farm & Forest Viability Program	Ameri-Corps	HOME	HOPWA (HUD)	NHT	LEAD Hazard Red. (HUD)	TOTALS
SOURCES:										
Property Transfer Tax (by Statute) Less: Contribution to General Fund										20,740,500 (8,435,660)
Net Property Transfer Tax to receive Capital Bill	10,633,651	474,496		722,840	360,925	90,399	22,529			12,304,840
Proceeds of Revenue Bond/Yr 1 *	4,000,000									4,000,000
	12,000,000									12,000,000
Loan Repayments	107,900									107,900
Interest on Fund	30,000									30,000
Federal Grants		2,500,000	1,000,000	198,602	368,669	2,955,000	489,265	3,000,000	1,077,049	11,588,585
Housing Mitigation Funds	25,000									25,000
Act 250 & Other Mitigation Funds	250,000									250,000
Other - Foundations, Miscellaneous	5,000			427,707						432,707
Subtotal FY2018 new resources:	27,051,551	2,974,496	1,000,000	1,349,149	729,594	3,045,399	511,794	3,000,000	1,077,049	40,739,032
Completion of prior years' federal awards:		2,000,000	850,000			2,000,000		2,250,000		7,100,000
TOTAL Sources:	27,051,551	4,974,496	1,850,000	1,349,149	729,594	5,045,399	511,794	5,250,000	1,077,049	47,839,032

USES:										
Operations	1,482,329	424,496		41,794	16,724	324,899	33,794	254,412	44,512	2,622,960
Direct Program/Project Expense	440,628	50,000	-	376,145	712,870	20,500	-	15,500	563,380	2,179,023
Project Grant and Loans	22,628,594	2,500,000	1,000,000	931,210		2,700,000	478,000	2,730,088	469,157	33,437,049
Debt Service on Revenue Bond	2,500,000									2,500,000
Project Grant and Loans - completion of prior years' federal awards		2,000,000	850,000			2,000,000		2,250,000		7,100,000
TOTAL Uses:	27,051,551	4,974,496	1,850,000	1,349,149	729,594	5,045,399	511,794	5,250,000	1,077,049	47,839,032

*Commitments from the Revenue Bond in Year 1 could be \$10-16 million, depending on yield.



VHCB and Water Quality Since 2012

- Adopted Water Quality and Flood Resilience Guidelines and revised Conservation of Agricultural Lands policy to incorporate water quality/flood resilience attributes;
- Management plans are now required to address soil health and water quality prior to closing on a farm easement;
- Special easement language protects surface waters;
- Pledged over \$5 million match to the state's \$16 million Regional Conservation Partnership Program (RCPP) award from NRCS: 10 farms and \$1.3 million in federal match approved
- The VHCB Farm & Forest Viability Program has awarded \$796,631 in Dairy Improvement Grants to 32 farmers; 17 of the grants were for water quality improvements.

What was achieved: VHCB Farmland Conservation Investments and Vermont Farm & Forest Viability Program, FY16 – FY17

FY16

- 24 farms and 3,443 acres
- 21 with water quality protections
- 4.25 miles riparian buffers
- 13 transfers: 7 to new farmers;
1 intergenerational, 5 to existing farmers
- Business planning and technical assistance to 82 farm, food and forestry businesses, 10 grants, and succession planning to 3 forest landowners in calendar year 2015

FY17

- 25 farms and 2,860 acres
- 22 with water quality easement protections
- Almost 9 miles of riparian buffers
- 16 transfers: 6 to new farmers;
3 intergenerational, 7 to existing farmers
- Business planning and technical assistance to 80 farm, food and forestry businesses, 5 grants, and succession planning to 5 forest landowners in calendar year 2016



Impact of FY16 & FY17 Farmland Conservation and Farm & Forest Viability Program Investments

- \$5.3 million in VHCB funding leveraged \$5.7 million in NRCS/FRPP funding
- 49 projects conserved 6,303 acres
- 43 (88%) have water quality protections in the easement
- 31 of the conserved farms are located in the Lake Champlain Basin
- 29 projects facilitated transfers (more than half); 13 of the transfers are to new farmers buying their first farm; 4 intergenerational; 12 to existing farmers
- Business planning and technical assistance to 162 farm, food and forestry businesses, 15 grants, and succession planning to 8 forest landowners



The VHCB Viability program made a grant to Machia & Sons Dairy to help them purchase equipment to extract phosphorus and solids from manure, enabling export of phosphorus off their farm and possibly out of the Lake Champlain basin. The farm produces 21M lbs of milk per year with 725 milking cows and crops 2,100 acres. They have a plan to convert to 100% no till over the next 10 years, and in 2016 were cropping 400 acres no till, which also improves water quality.

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