

Housing for All Revenue Bond



Senate Committee on Finance
February 16, 2018





Title 10: Conservation and Development

Chapter 15: VERMONT HOUSING & CONSERVATION TRUST FUND

§ 302. Policy, findings, and purpose

(a) The dual goals of creating affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, forestland, historic properties, important natural areas, and recreational lands are of primary importance to the economic vitality and quality of life of the State.



30 Years of Housing & Conservation

\$1.5 billion leveraged

Since 1987, VHCB funding has helped protect, conserve and create:

- 266,820 acres of working forests, natural areas and recreational lands
- 12,600 affordable homes – rental and homeownership
- 164,015 acres of farmland, 701 farms
- 69 historic buildings have been restored for community use
- 700 businesses have enrolled in our Farm & Forest Viability Program
- 450 members have served through VHCB AmeriCorps
- 2,600 homes with reduced lead paint hazards

VHCB PROGRAMS

- Multi-Family Housing Development and Preservation
- Farmland Conservation
- Forestland, Recreational land and Natural Area Conservation
- Vermont Farm & Forest Viability Program
- Home Ownership
- Farmland Access
- Home Accessibility
- Vermont Lead Paint Hazard Abatement/Healthy Homes
- VHCB AmeriCorps
- Community Planning & Technical Assistance
- Historic Preservation
- Modular Housing Innovation Program
- Housing Opportunities for Persons living with HIV/AIDS
- Water Quality Grants for Farmers
- Rural Economic Development Initiative (REDI)



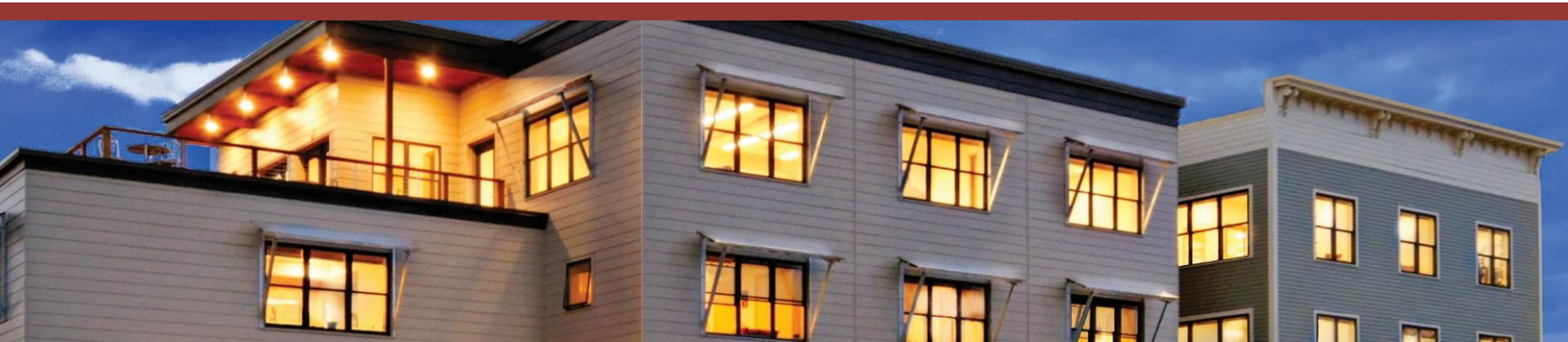
Act 85 of 2017 – Housing Bond Proceeds for Affordable Housing

10 V.S.A. § 314

“The Vermont Housing and Conservation Board shall use the proceeds of bonds ... issued by the Vermont Housing Finance Agency pursuant to subdivision 621(22) of this title and transferred to the Vermont Housing and Conservation Trust Fund to fund the creation and improvement of owner-occupied and rental housing for Vermonters with very low to middle income, in areas targeted for growth and reinvestment ”

Act 85 – Housing Bond Proceeds for Affordable Housing

- 1) “not less than 25 percent of the housing shall be targeted to Vermonters with very low income, meaning households with income below 50 percent of area median income;
- 2) not less than 25 percent of the housing shall be targeted to Vermonters with moderate income, meaning households with income between 80 and 120 percent of area median income; and
- 3) the remaining housing shall be targeted to Vermonters with income that is less than or equal to 120 percent of area median income consistent with the provisions of this chapter.”





Act 85 – Revenue Source Property Transfer Tax

32 VSA § 9610 (d)(1)

“Prior to any distribution of property transfer tax revenue ... \$2,500,000 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds ... the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 VSA § 314.”



\$2.5 million from Property Transfer Tax to be offset by:

\$1.5 million from VHCB's annual appropriation

Governor's FY19 Budget proposes \$11.3 million with a reduction of \$1.5 million for a \$9.8 million appropriation and \$5.5 million from the capital bill.

\$1.0 million from the surcharge on the property transfer tax.

The 0.2 percent surcharge is an interim source of revenue for clean water and was set to expire in July 2018. Act 85 extended the surcharge for nine years and dedicated \$1 million of the approximately \$5 million it raises annually to offsetting the housing bond payments. From 2027 to 2039, the surcharge is reduced to .04 percent to raise enough only for the bond payments.



Status of the Housing Revenue Bond Initiative

Signed into law on June 28, 2017.

Regional outreach meetings in the summer and fall - Bellows Falls, Manchester, Burlington, Middlebury, St. Johnsbury, and Hartford. Also met with City of St. Albans.

VHFA's sale exceeded expectations and raised \$36.99 million

VHCB staff reviewing applications. Board making funding decisions and commitments to developments.

Housing Revenue Bond (HRB) Funded Developments

In 2017, VHCB awarded \$9.5 million in HRB funds for:

- 11 housing developments in 10 communities
- 310 homes in five counties
- Accessibility improvements to 60 homes statewide

Of the new and rehabilitated homes:

- 35% are targeted to households with incomes below 50% of median
- 25% are affordable to those between 80 and 120% of median
- 100-200 additional units of privately-developed workforce housing are included in the larger developments proceeding with HRB funding.



Homes for Workers

Sykes Mountain, White River Junction

The Twin Pines Housing Trust and Housing Vermont are using HRB funding to develop 30 mixed-income, new construction multi-family rentals. A second phase will create an additional 12-15 apartments on the same site. Apartments will be affordable to very low to middle income households.



Community Revitalization

Woolson Block, Springfield

With HRB and other funding, the Springfield Housing Authority and Housing Vermont will soon create 15 new apartments above main street commercial space as well as transitional housing for 4 homeless youth with a live-in supervisor.



Monument View, Bennington

Shires Housing and Housing Vermont will use \$750,000 in HRB funding to construct 24 new multi-family rental apartments serving households with incomes below 50% as well as those up to 120% of median in a mixture of townhouse and apartment styles.



Taylor Street, Montpelier

Downstreet Housing & Community Development and Housing Vermont will create 30 mixed-income apartments above a new downtown transit center using \$1,952,282 in HRB funds. Targeted for households with incomes ranging from below 50% of median to 80-120% of median. Construction is expected to begin this spring.



Allard Square

Public Private Partnership Increasing Supply in a Tight Market

Synder Braverman Development Company and Cathedral Square Corporation are developing 39 apartments for older Vermonters in South Burlington. Service coordination for residents will be provided on site by the SASH program. First building in a larger development of mixed income residential, commercial and public space in a new city center.



SASH: Coordinated Health Care at Affordable Housing Sites Reducing Medicare Expenditures

With 5,000 participants statewide, SASH (Support and Services at Home) is a nationally recognized and tested model.

- Average Medicare savings of \$1,227 per person per year.
- 3,300 SASH participants with advance directives could translate into a savings of \$18.4 million in end-of-life care.*

*Journal of the American Medical Association

Homes for the Vulnerable

Each of the first three HRB projects under construction have units designated for the homeless.

HRB funds are being used in Brattleboro to renovate a former motel creating 22 new rentals. All will be affordable at 30% of median. Eleven are dedicated to the homeless with support services available on site.

More than 15% of the affordable apartments previously invested in by the state through VHCB are now occupied by households that were formerly homeless.



Great River Terrace

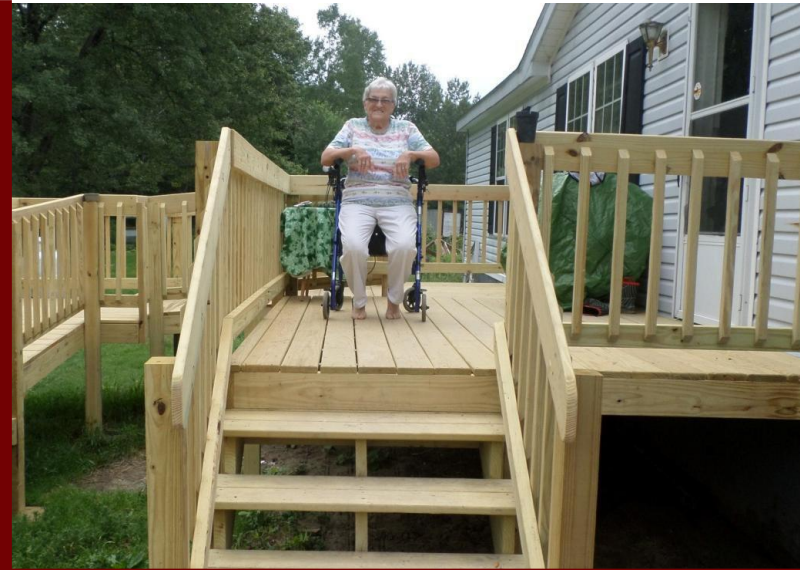


Homeownership

Approximately \$6 million of HRB funds will be used to expand affordable homeownership options. At Fort Ethan Allen in Essex, the Champlain Housing Trust is using \$189,000 to renovate student housing in historic buildings into affordable condominiums and help new households purchase homes.



The Champlain Housing Trust is working with Farrell Real Estate to develop 76 affordable apartments with \$900,000 in HRB funds at Cambrian Rise - 14 will be designated for the homeless. The developers will also use \$2.1 million in HRB funds to develop 30 condominiums, creating affordable homeownership opportunities alongside 67 market rate and luxury condos.



Accessibility

The Vermont Center for Independent Living will use \$600,000 in HRB funds to address a backlog of requests for accessibility modifications to 60 homes and apartments statewide, allowing wheelchair users to stay in their homes or return home from nursing home care following accidents or surgery.

Housing Vermont Projects Completed, 2012-2017

Development	Location	Number of Units	VHCB State Funds Only	Hard Construction Costs (Excludes A & E)	Additional Economic Impact	Total Economic Impact	Jobs
City Neighborhoods	Burlington & Winooski	40	\$1,086,972	\$3,909,719	\$7,702,146	\$11,611,865	137
Wharf Lane	Burlington	37	725,000	3,610,550	7,112,784	10,723,334	127
Roaring Branch Apartments	Bennington	26	508,536	4,261,418	8,394,993	12,656,411	150
Canal & Main Apartments	Brattleboro	24	485,000	3,799,677	7,485,364	11,285,041	133
Windsor Village	Windsor	77	5,000	4,770,446	9,397,779	14,168,225	167
Avenue Apartments	Burlington	33	600,000	5,391,512	10,621,278	16,012,789	189
Vergennes Senior Housing	Vergennes	25	216,000	4,426,177	8,719,569	13,145,746	155
Lakebridge Apartments	Newport	21	706,267	3,675,248	7,240,239	10,915,487	129
2012 Subtotal		283	\$4,332,775	\$33,844,747	\$66,674,151	\$100,518,897	1,188
Algiers Family Housing	Guilford	17	425,000	3,322,353	6,545,035	9,867,388	117
Hickory Street Apartments, Phase 2	Rutland	23	100,000	5,013,121	9,875,848	14,888,969	176
Lamoille View Housing	Morrisville	25	490,000	1,453,641	2,863,673	4,317,314	51
West River Valley Assisted Living, Phase 2	Townshend	12	100,000	1,908,065	3,758,888	5,666,953	67
2013 Subtotal		77	\$1,115,000	\$11,697,180	\$23,043,445	\$34,740,624	411
Harrington Village	Shelburne	42	500,000	7,645,760	15,062,147	22,707,907	268
Bobbin Mill	Burlington	51	1,275,000	5,311,879	10,464,402	15,776,281	186
Arthur's Main Street Housing	Morrisville	18	150,000	3,179,919	6,264,440	9,444,359	112
Maple Street	Hardwick	16	310,000	1,368,651	2,696,242	4,064,893	48
Rail City	St. Albans	31	395,000	1,139,415	2,244,648	3,384,063	40
2014 Subtotal		158	\$2,630,000	\$18,645,624	\$36,731,879	\$55,377,503	654
South Main Street Apartments	Waterbury	27	625,000	4,810,247	9,476,187	14,286,434	169
Black River Apartments	Ludlow	22	434,000	2,804,042	5,523,963	8,328,005	98
Safford Commons	Woodstock	28	625,000	6,170,492	12,155,869	18,326,361	217
Peter Coe Village Apartments	Middlebury	22	450,000	3,761,076	7,409,320	11,170,396	132
Kelley's Field	Hinesburg	24	204,000	1,543,510	3,040,715	4,584,225	54
2015 Subtotal		123	\$2,338,000	\$19,089,367	\$37,606,053	\$56,695,420	670
Bright Street Co-operative	Burlington	40	1,104,203	8,222,659	16,198,638	24,421,297	289
Green Street Apartments	Hinesburg	23	475,000	4,435,128	8,737,202	13,172,330	156
Summer Street Apartments	Barre	27	700,000	5,337,018	10,513,925	15,850,943	187
South Meadow Apartments	Burlington	64	1,400,000	2,172,067	4,278,972	6,451,039	76
Red Clover Commons	Brattleboro	55	590,000	12,174,162	23,983,099	36,157,261	427
2016 Subtotal		209	\$4,269,203	\$32,341,034	\$63,711,837	\$96,052,871	1,135
Hartford Scattered Sites Apartments	Hartford	35	428,108	5,982,475	11,785,476	17,767,951	210
COTS 95 North Avenue	Burlington	14	420,000	1,589,255	3,130,832	4,720,087	56
Applegate Apartments II	Bennington	104	1,410,314	5,774,338	11,375,446	17,149,784	203
2017 Subtotal		153	\$2,258,422	\$13,346,068	\$26,291,754	\$39,637,822	468
TOTAL		1,003	\$16,943,400	\$128,964,019	\$254,059,118	\$383,023,138	4,527

More Projects in Development

On track to meet the goal of 550-650 homes



KEY TO HOUSE TYPES:

(#): LOT #S

A: 1 1/2 STORY, 1 BEDROOM COTTAGE W/ STORAGE LOFT & GABLE ROOF: 400 S.F.

B: 2 STORY, 2 BEDROOM COTTAGE W/ WRAP AROUND FRONT PORCH: 900 S.F.

C: 2 STORY, 3 BEDROOM COTTAGE W/ 3RD BEDRM. IN BACK YARD 14' x 40' + 14' x 24' = 1,240 S.F.

C2: SAME AS TYPE C, EXCEPT 3RD BEDRM. ADDED LATER: 900 S.F. THEN 1,240 S.F.

D: 2 STORY 3 BEDROOM COTTAGE W/ LIVING RM IN FRONT YARD 11' MUST BE DONE IN PHASE 1: 1,240 S.F.

E: 2 STORY 2 BEDROOM W/ MODERN STYLE SHED ROOF: 1,120 S.F.

F: 2 STORY DUPLEX OF TYPE E'S MODERN STYLE W/ 2 BEDROOMS. MUST BE BUILT IN 1 PHASE 1,120 S.F. EACH

R.A.C.D.C. SALISBURY BLOCK HOUSING

COMMUNITY SITE PLAN PROPOSAL

W.J.D. & P.M.A.

AUG. 7, 2017



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