



House Appropriations Committee

Thursday, February 14, 2019





Dorothy Weicker, Vermont Folklife Center photo

“I don’t think it’s jobs against conservation. You can grow, but in a way that respects the culture and the landscape of Vermont.”

— John Ewing

VHCB Statue: 10 VSA Chapter 15, Section 301

- (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.**





VHCB Results: FY 2018 and FY 2019

State Investment: \$38M Leverage: \$160M

- 1,029 homes and apartments
- 42 farms; 6,063 acres conserved
- 2 historic preservation projects
- 22 projects conserved 3,220 acres of land for public recreation, natural areas, and forestland
- 167 farm, food, and forest enterprises were provided business planning and technical assistance
- 10 communities were assisted in securing \$1.78 million in grants



31 Years of Housing & Conservation

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

- 267,900 acres of working forests, natural areas & recreational lands
- 13,000 affordable homes – rental and homeownership
- 167,000 acres of farmland on 725 farms
- 70 historic buildings have been restored for community use
- 800 businesses have enrolled in our Farm & Forest Viability Program
- 480 AmeriCorps members have served through VHCB AmeriCorps
- 2,550 homes and apartments with reduced lead paint hazards

VHCB PROGRAMS

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

BENEFITS OF VHCB INVESTMENTS



Stimulating the Economy and Creating Jobs: Housing development yields economic benefits

- Increases the value of grand lists.
- Construction generates millions of dollars of economic activity through the creation of jobs and the purchase of goods.

Public Outdoor Recreation— Integral to Vermont's Economy

- Recreational activities are estimated to generate \$2.5 billion annually in economic activity.
- Direct spending at outdoor retailers, service providers, and trip expenditures support our rural economy by bringing business to small towns.



BENEFITS OF VHCB INVESTMENTS



Protecting Forests and Wetlands for their Multiple Public Values

- Every \$1 Vermont invests in land conservation returns \$9 in economic value in the form of water quality protection and increased flood resiliency, resulting in millions in avoided costs.
- Conservation investments protect wildlife habitat, water quality, sequester carbon, and secure permanent public access to recreation resources.



Boosting our Ag Economy: Farmland Conservation

- Protect our state's most valuable agricultural land
- Provide capital for farmers to expand, diversify, reduce debt, and facilitate transfers.



Energy Efficiency / Renewables / Carbon Sequestration

- Air sealing, increasing insulation, replacing aging boilers with air source heat pumps and biomass boilers and installing solar hot water and photovoltaic panels.
- Reduced operating costs—saving approximately \$1.9 million annually—and help maintain affordability.
- Carbon sequestration through forestland conservation

Improving Water Quality

- Easement restrictions and management plans focus on compliance with state water quality rules, on soil health, and on enhancing environmental stewardship.
- VHCB makes grants to farmers for capital projects to improve and protect water quality.



Downtowns and Historic Preservation

- Key downtown and village center buildings play an important role in community vitality.
- The preservation and renovation of historic buildings with public use can revive community spirit and provide economic stimulus.
- Locating housing in town centers maintains Vermont’s historic settlement patterns.





The French Block, Montpelier

The upper stories of this downtown block had been vacant for 75 years before Downstreet Housing & Community Development and Housing Vermont completed 18 new mixed-income apartments.



Hickory Street, Rutland

Redeveloped by the Rutland Housing Authority and Housing Vermont in three phases over nine years to create a mixed-income neighborhood with 78 homes affordable to households at 30-80% of median income. Demolition and new construction, energy efficient new construction.



Appletree Lane, Fair Haven



The Housing Trust of Rutland Company will acquire and rehabilitate 40 homes with rental assistance: 5 duplexes with 10 family rentals and 30 apartments for seniors and people with disabilities.



Rehab will include new windows, new siding, accessibility improvements, new flooring, cabinets, counters, plumbing fixtures, interior lighting fixtures, new ceiling sheetrock, and repainting.

Bluffside Bike Path Recreation Corridor in Newport

VHCB committed \$199,000 targeted to economic and community development in the NEK towards a recreation corridor and bridge connecting Bluffside Farm with Newport's Prouty Beach and trails in downtown Newport and Quebec.

REDI grant-writing assistance helped secure an additional \$678,000 in federal grants for the project.



Recreational Land Conservation



Prospect Mountain, Woodford

With 30 kilometers of high elevation cross country ski trails, this Nordic ski area is popular with locals, visitors, and high school and college ski teams. The new non-profit owner hopes to develop year-round recreational opportunities.



Caleb Kenna Photos

Mount Anthony Union High School
Nordic Ski Team Co-Captain Noah Payne

Newbury Town Forest



The town worked with the Vermont Land Trust to conserve 635 acres, creating a new town forest with public access to the peak of Tucker Mountain and protecting Connecticut River headwaters. Hunters, hikers, cross-country skiers, snowmobilers, mountain bikers, horseback riders, and ATV riders will continue to enjoy the mountain and the town will benefit from revenue generated from timber harvesting and maple tree tapping.

Housing Revenue Bond Initiative

Vermonters Moving into New Homes



To date, HRB has funded 21 developments with 550 homes in 16 different communities across 9 counties plus accessibility improvements and Habitat for Humanity homes statewide.

The first 86 homes are complete and occupied: Putney, South Burlington and Brattleboro. Another 240 under construction with 200 more set to get underway by the end of the year.

On track to target 25% of the homes to households \leq 50% of median and target 25% to households between 80 and 120% of median.

Downtowns Revitalized

Housing in historic buildings—new and rehabilitated apartments



Downtowns Revitalized

New construction in community centers



TAYLOR STREET TRANSIT CENTER and HOUSING, MONTPELIER



SNOW BLOCK, BRATTLEBORO



CONGRESS & MAIN, ST. ALBANS



Allard Square, South Burlington

Cathedral Square Corporation developed 39 one- and two-bedroom, affordable and market rate apartments in South Burlington's new city center. VHCB committed \$395,044 in federal HOME program funding to reduce rents for the affordable apartments in the \$8.5 million development.

Armory Lane Family Housing, Vergennes



The Addison County Community Trust and Housing Vermont have secured \$1.68 million in Housing Revenue Bond funds and \$174,000 in federal HOME Program funds for a new family housing rental development with 24 energy efficient homes to be constructed across the road from Vergennes Senior Housing, creating an intergenerational neighborhood.

Great River Terrace, Brattleboro



Homes created for the most vulnerable

W&WHT renovated a former Brattleboro motel, creating 22 new rentals affordable at 30% of median and serving the homeless with on-site services.

Homes are completed and filled. Eleven of the new residents were previously living outside or in tents.

The majority of HRB projects have units designated for the homeless.

Clara Martin Center, Randolph



This vacant, historic building on Main Street is being renovated and will become permanent supportive housing for homeless persons with mental illness. Each of the 4 apartments will have project-based rental assistance from the State Department of Mental Health.

Giving Old Homes New Life



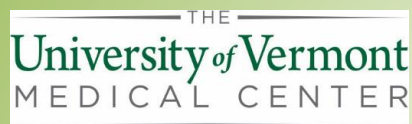
- Supporting a statewide assessment of the need for recovery residences.
- Piloting new models for addressing the problem of existing, substandard housing. Targeted to areas of the state where investment in older stock is needed.
- Considering a proposal for an accessory dwelling unit program where rental vacancies are extremely low.



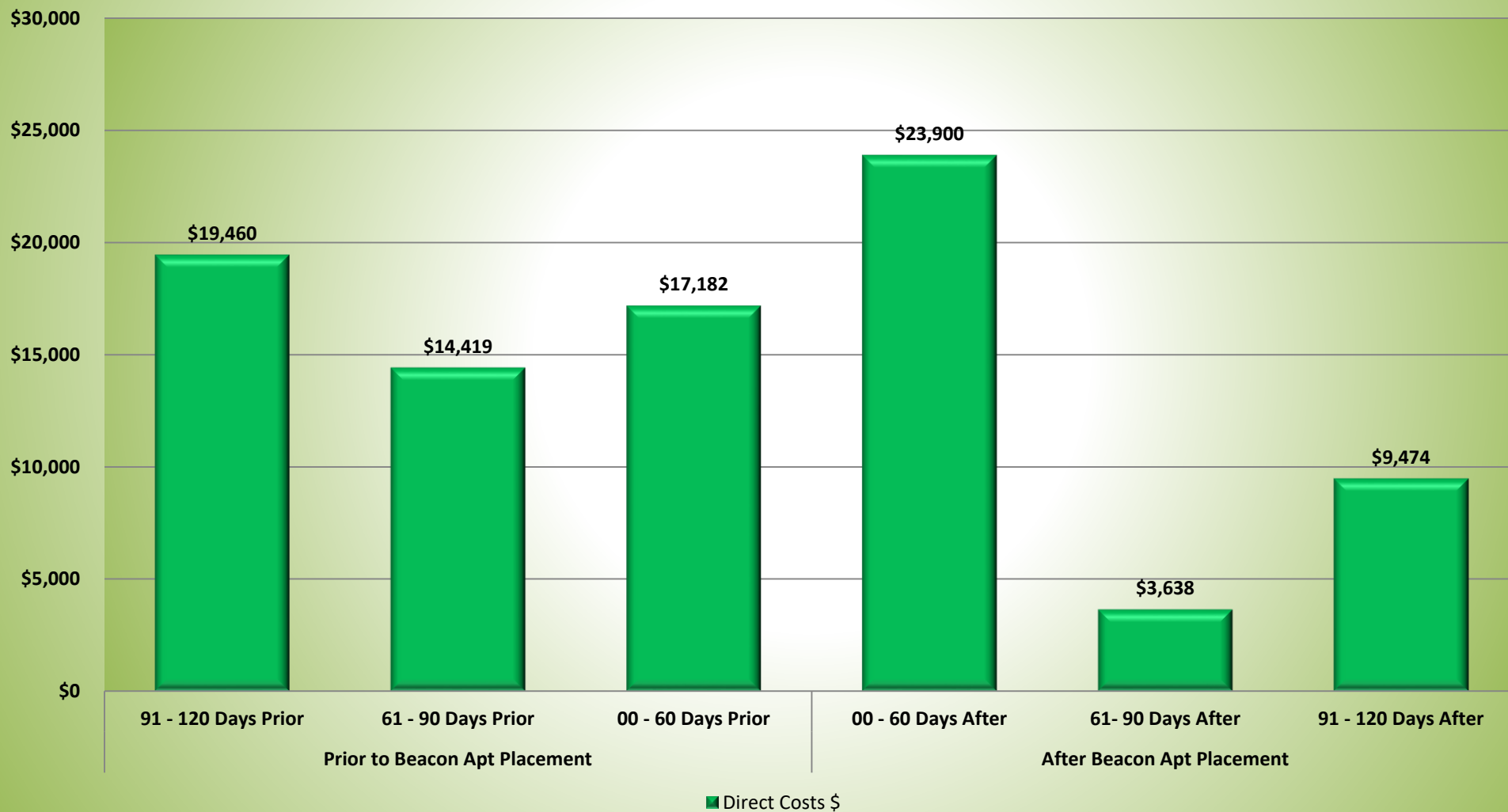
VHCB and Regional Housing Nonprofits Advances in Fighting Homelessness

- Collectively, 17% of apartments owned by nonprofit developers are now home to the formerly homeless. Many more that were at-risk of homelessness are being housed.
- 30% of vacancies in 2018 went to homeless households
- With 7% of the apartments in the state, these developers are housing 868 formerly homeless households—equal to 70% of the current homeless population—in permanent homes.

Improving Results and Reducing Costs



Beacon Apartments Patient Intervention Study Direct Costs Before/After Placement Updated through August 2017 28 Patients





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



Community-Based Transitional Housing

VHCB Support Saves the Correctional System \$3.7 Million Annually

Project Name and Location	Units	Gender	VHCB \$\$	DOC \$\$	DOC Beds	Prison Cost	Annual Savings
Dismas House Rutland	11	M/W	70,000	95,952	4	266,552	170,600
Dismas House Burlington	7	M/W	70,000	87,690	5	333,190	245,500
Dismas House Winooski	9	M/W	162,000	158,128	9	599,742	441,614
Covered Bridge	5	M	90,000	87,043	6	387,126	300,083
Phoenix House Burlington	19	M	162,000	204,400	14	903,294	698,894
Dismas House Hartford	9	M	162,000	150,000	10	645,210	495,210
Barre Phoenix House	18	M	170,000	204,400	14	903,294	698,894
Northern Lights, Burlington	9	W	162,000	393,752	11	810,172	416,420
Mandala House, Rutland	10	W	198,000	316,967	8	589,216	272,249
TOTALS:	97 units		\$1,246,000		81 BEDS	SAVINGS:	\$3,739,464

*source: Department of Corrections and VHCB 2018



VHCB Farmland Conservation Investments What was achieved: July 2017–December 2018

- 45 farms (including 4 retroactive OPAVs)
- 6,063 acres of farmland conserved
- 36 include water quality easement protections
- Approximately 24 miles of buffers protected
- 24 transfers: 10 to new farmers;
6 intergenerational, 8 to existing farmers



VHCB and Water Quality

- Adopted Water Quality and Flood Resilience Guidelines and revised Conservation of Agricultural Lands policy to incorporate water quality/flood resilience attributes
- Management (ALE) 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: 20 farms funded with 16 closed
- The VHCB Farm & Forest Viability Program has awarded \$881,099 in water quality grants to 29 farms, and \$492,302 in dairy improvement grants to 17 farms



VT Farm & Forest Viability Program in 2018

85 farms received business or transfer planning services

41 farms received a second year of services

18 farms received shorter-term business coaching

5 food hubs received strategic planning assistance

16 forest products businesses received technical assistance

27 loggers attended 2 business management workshops

23 family forestland owners and consulting foresters attended 2 succession planning workshops

6 forestland-owning families received one-on-one succession planning assistance

17 farms received Dairy Improvement Grants

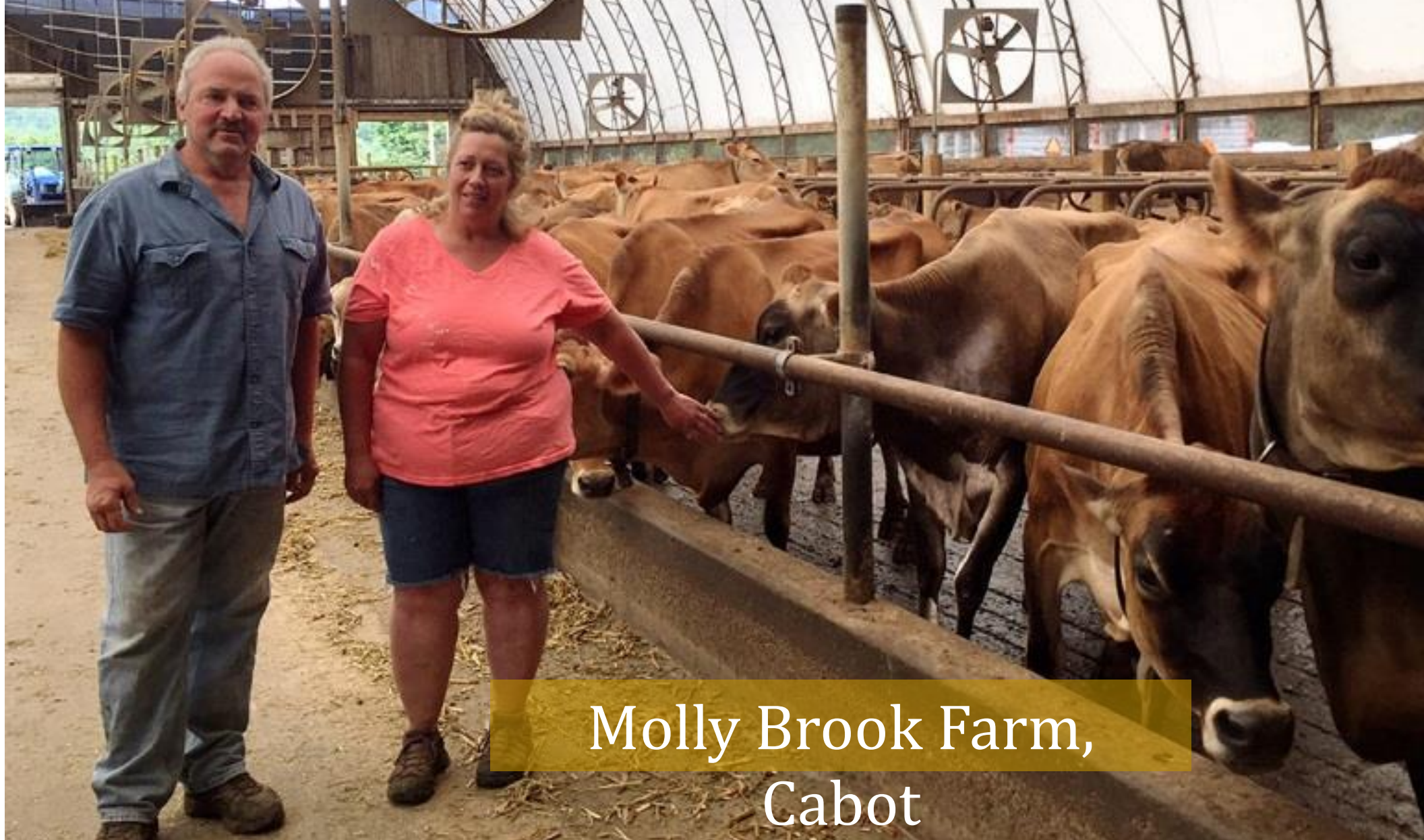
29 farms received Water Quality Grants

Total enrolled Viability clients: 167

Chalker Farm, Vergennes



Brian and Cindy Kayhart operate a conserved, 30-cow dairy and raise 75 head of beef cattle. They worked with the Farm & Forest Viability Program on business planning and were awarded an \$11,829 Water Quality Grant, allowing them to convert cropland along the river back into sod, reducing erosion and soil compaction.



Molly Brook Farm, Cabot

Myles and Rhonda Goodrich operate a 565-acre dairy farm, family owned and operated since 1835, and conserved in 1997 with VHCB funding. They breed internationally renowned Jerseys and milk 80 cows. They have recently worked with the Viability Program as they navigated transfer of the farm from Myles' parents, Walter and Sally Goodrich, and planned their transition to organic production.

Lewis Creek Jerseys, Danville



Adjacent to their home farm, Vince Foy and Deb Yonker conserved an additional 24 acres of open land which they had rented for 30 years, providing a generous bargain sale as leverage. They board dairy heifers and raise forage crops, beef, sheep and pork. Their thriving, diversified operation provides a variety of meats (some from other local producers) to an established and regular local clientele.

Bread & Butter Farm, South Burlington & Shelburne



VHCB provided state and federal funding to conserve the former LeDuc Farm. The new owners Bread & Butter Farm offer a farm store and café, a seasonal weekly burger night, with music, educational activities, including both summer camp and school year programming. They sell their grass fed beef from the farm, and are exploring wholesale markets. They are currently expanding, purchasing and conserving adjacent farmland.



The Whitcombs operate a dairy, milking 240 Holsteins at their home farm in Williston and raising heifers and crops at their Essex Junction farm along the Winooski River. They have conserved 400 acres on the two properties, protecting 2.5 miles of Winooski River frontage. The Viability Program helped them purchase a no-till planter to reduce soil erosion and protect water quality.



Kilby-Harrison Farm, Addison

This 360-acre organic dairy farm had good water quality management practices in place when it was conserved by the Vermont Land Trust in 2016 using \$185,000 in federal funding from the Natural Resources Conservation Service. There are now also easement protections for surface water, a clayplain forest, and an archaeological site. VHCB's Viability Program matched the Kilby-Harrisons with the Intervale Center for business planning and provided a Dairy Improvement Grant for a bedded pack barn, an infrastructure improvement that will further improve water quality.

Towhead LCC, Danville Isaac Pearl

Isaac Pearl benefited from business planning, working with an advisor through the VHCB's Farm & Forest Viability Program. His advisor helped him refine his book keeping systems and analyze his business strategy and equipment needs. He can now easily track income and expenses, and is keeping information up to date, speeding up his tax preparation and informing decision making.

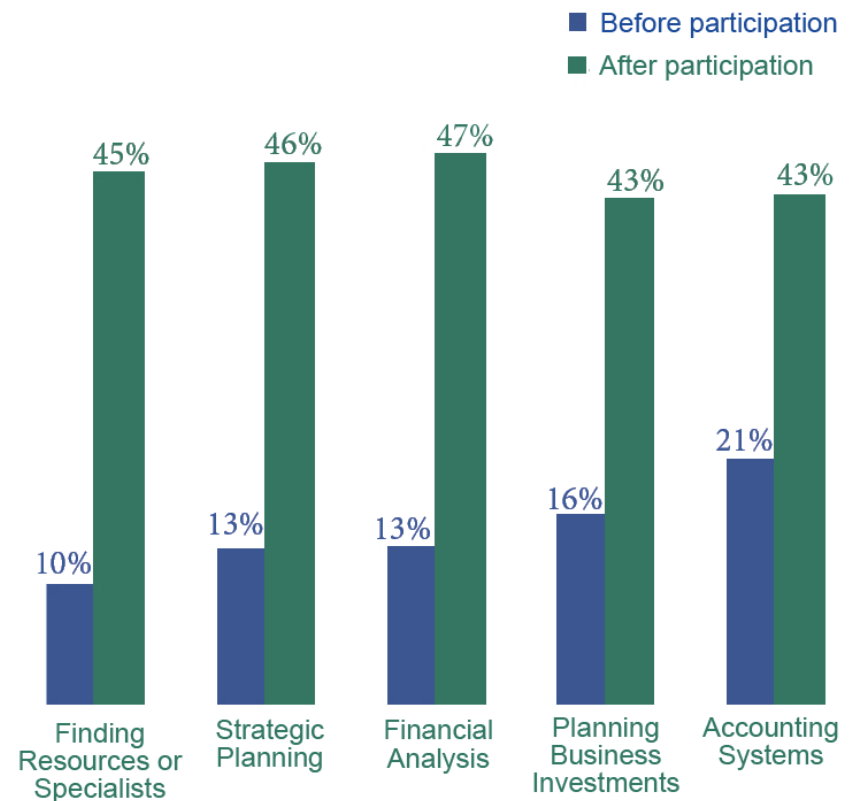


VHCB

Vermont Farm & Forest Viability Program

- 16 years of in-depth advising
- More than 800 businesses have completed business plans
- 30% of enrollees are conserved

Percent of farmers who report high skills in:



From 2017 to 2018 Viability Program Participants:



Gross sales by 21%



*Profits by \$32,500
ave. per business*



Rural Economic Development Initiative

FY18:

\$75,000 special appropriation helped

10 rural enterprises and

small towns secure \$1.78 million

in federal, state, and philanthropic funding

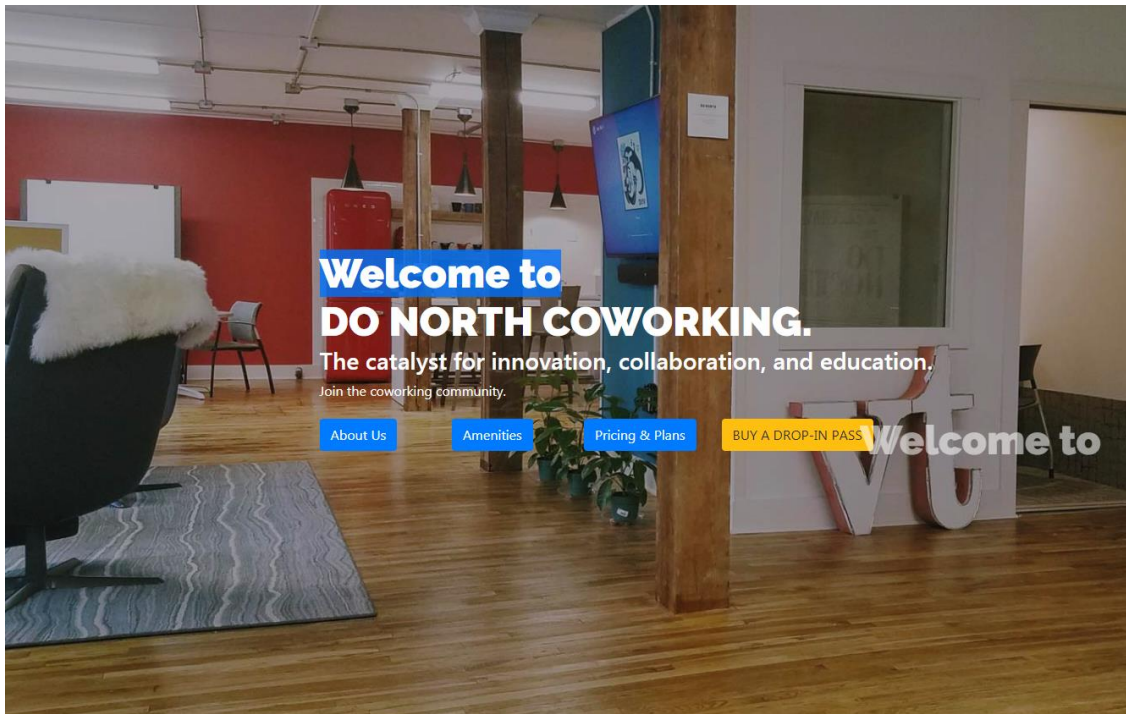
FY19:

VHCB will assist with an additional 14-16 projects,

11 projects are already underway

Priority Areas

- Agriculture & Composting
- Forest Products Sector
- Outdoor Recreation
- Downtown Community Development & Historic Preservation



REDI is helping the town of Lyndonville fundraise from multiple grant sources for a co-working facility.

Rural Economic Development Initiative

Year 1 Projects:

- **Albany** – general store rehabilitation
- **Charlotte** - arts and cultural center
- **Fairfax** - expansion of Runamok Maple
- **Hardwick** – Yellow Barn Project business incubator/multi-use
- **Irasburg** – propagation lab for Ardelia Farm
- **Lyndonville** – coworking facility
- **Newport** – Bluffside trail development
- **Newport** – downtown development & recreation strategy
- **Pownal** - recreational trail development
- **Windham County** - equipment for expansion of composting

Year 2 Projects:

- **Craftsbury** – outdoor recreation infrastructure
- **Bridgewater** – school building redevelopment
- **Chelsea** – general store feasibility
- **Cabot** – artisanal cheese facility
- **Jeffersonville** – village water system
- **New Haven** – cured meat facility
- **Newport** – mountain bike/ski trail building
- **Island Pond** – outdoor recreation infrastructure
- **Poultney** – downtown park
- **Readsboro** – broadband internet expansion

Rural Economic
Development Initiative

Chelsea Community Store

Up until recently, Chelsea had two general stores. The REDI program is helping the town and newly formed Chelsea Community Store, Inc. assess the feasibility of purchasing a general store and then applying for funding from the Vermont Community Development Program.



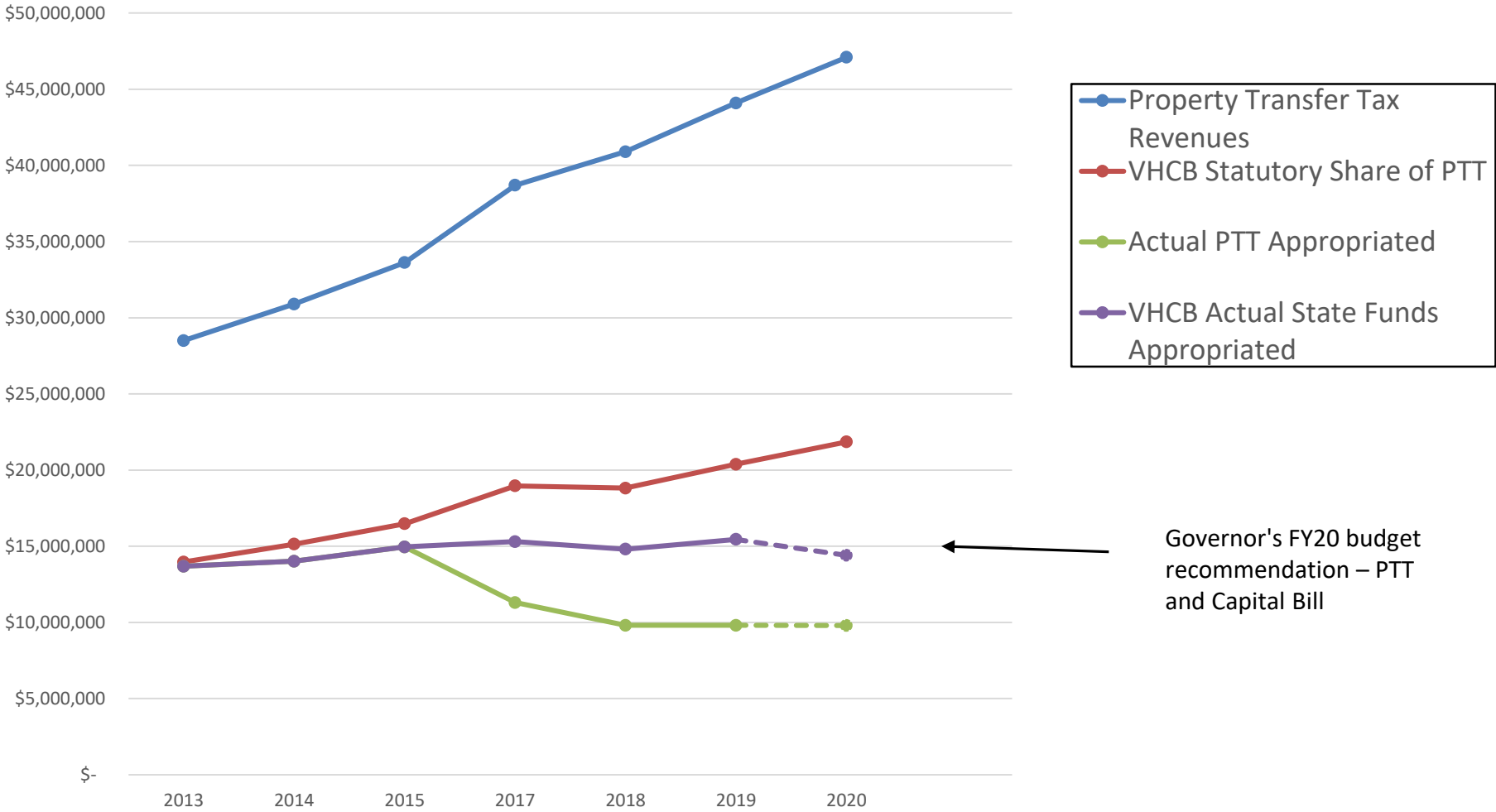
“Recent store closures have left Chelsea and the surrounding communities with an urgent need for access to fresh foods and a full range of groceries.”

– Dickson Corbitt,
Chelsea resident

More to be Done

- Vermont Futures Project of the Vermont Chamber of Commerce has set a growth target of 5,000 new and improved housing units annually.
- Impaired waters in every Vermont Watershed - *Department of Environmental Conservation – 2018*
- Roadmap to End Homelessness called for 369 units of permanent supportive housing and 1,251 new homes affordable to the lowest income Vermonters.
- Rural towns with outdoor recreation assets gaining, not losing, population. – *Vermont Center for Geographic Information and the U.S. Census.*
- Challenges facing Vermont agriculture “threaten VT’s economy, community and culture.” - *A 2018 Exploration of the Future of Vermont Agriculture.*

VHCB Appropriations 2013-2020



Governor's FY20 budget recommendation - PTT and Capital Bill

Vermont Housing & Conservation Board
FY2020 - Presented at Governor's Recommend for PTT & Capital Bill
SOURCES & USES

PROGRAMS/GRANTS:	Housing & Conservation	NRCS ALE & RCPP (Fed)	Capital Bond Farm Retirement	Housing Revenue Bond	Farm & Forest Viability Program	Ameri-Corps	HOME (HUD)	HOPWA (HUD)	NHT (HUD)	Healthy & Lead-safe Homes (HUD)	FY2020 TOTALS
SOURCES:											
Property Transfer Tax											21,854,000
Less: Contribution to General Fund											(10,549,160)
VHCB share of Debt Service on Housing Rev Bond											(1,500,000)
Net Property Transfer Tax to receive	7,942,520	482,987			832,155	395,947	109,296	41,935			9,804,840
Capital Bond Proceeds - State	3,500,000		400,000		700,000						4,600,000
Housing Revenue Bond - final balance				6,100,000							6,100,000
Loan Repayments	201,877										201,877
Interest on Fund	340,000										340,000
Federal Grants		3,300,000			372,127	395,000	2,955,000	478,000	3,000,000	1,077,049	11,577,176
Housing Mitigation Funds	25,000										25,000
Act 250 & Other Mitigation Funds	250,000										250,000
Other - Foundations, Miscellaneous	5,000				273,526						278,526
Rural Economic Development Initiative											-
Subtotal FY2020 New Sources	12,264,397	3,782,987	400,000	6,100,000	2,177,807	790,947	3,064,297	519,935	3,000,000	1,077,049	33,177,420
Completion of Prior Years' Federal Awards		1,835,000					2,237,855		3,336,192		7,409,047
Total Sources:	12,264,397	5,617,987	400,000	6,100,000	2,177,807	790,947	5,302,152	519,935	6,336,192	1,077,049	40,586,467

USES:											
Board Operations	1,756,276	443,987			58,968	26,725	331,297	41,935	223,062	50,796	2,933,045
Direct Program/Project Expense	476,000	39,000	-		1,418,839	764,223	33,000	478,000	15,000	557,097	3,781,159
Project Grant and Loans	10,032,121	3,300,000	400,000	6,100,000	700,000		2,700,000	-	2,761,938	469,157	26,463,216
Project Grant & Loans - Expenditure of Prior Years' Federal Awards		1,835,000					2,237,855		3,336,192		7,409,047
Total Uses:	12,264,397	5,617,987	400,000	6,100,000	2,177,807	790,947	5,302,152	519,935	6,336,192	1,077,049	40,586,467

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