

TO: House Appropriations Committee

FROM: Molly Dugan, Vermont Housing and Conservation Co-Chair and SASH
Director at Cathedral Square

RE: SFY 2021 Budget

DATE: February 20, 2020

My name is Molly Dugan and I one of the Co-Chairs of the Vermont Housing and Conservation Coalition. I am also the Director of the statewide SASH (Support and Services at Home) program administered statewide by Cathedral Square and operated by twenty-two affordable housing organizations in all counties of our state. I am here testifying today in my role as co-chair of VHCC. VHCC is a coalition of more than 50 private businesses and nonprofit organizations that represent a wide spectrum of interests from statewide developers of affordable housing to small, community-based land trusts. The Coalition advocates for strong state investments through VHCB in affordable housing and conservation that is critical for Vermont, both today and in the future.

This year we are asking your committee to reject the Governor's recommend of level funding for VHCB for FY 2021 and instead fully fund VHCB so that it is in line with the statutory share of the Property Transfer Tax which equates to \$22.6 million. The Governor's recommend of \$15.4 Million (\$10.8 from PTT and \$4.6 from the Capital Bill) is a step backwards as it brings us to the same funding level we had in 2017.

And, if we compare to last year's totals for housing and conservation which included the Housing Revenue Bond (HRB), Legacy Funds and Rural Economic Development Initiative we will have \$6.7 million *less available* next year for housing, conservation and historic preservation initiatives.

Importantly, the HRB funds have already been fully committed and will create 800 homes in all parts of the state. Seventy of these homes are being created by Cathedral Square, where I work. The HRB has provided \$2.3 million to develop Juniper House in Burlington's Cambrian Rise Neighborhood – a mixed income, mixed generation neighborhood- located in a central location and on an active

bus route. To underscore the continued need for affordable housing, we already have 260 people on our “inquiry list” for these 70 apartments set to open in December 2020.

The need for additional high quality affordable housing reaches all parts of our state. In fact, VHCB has an 18-month pipeline of projects ready to go including 54 rental housing developments, homeownership opportunities and accessibility improvement projects. These projects don’t just provide a roof over peoples’ heads, they transform communities by breathing new life into downtown villages, increasing economic vitality and addressing the lack of social connection and cohesion that creeps in overtime and negatively impacts the health and wellbeing of Vermonters.

Cathedral Square has one of these community transforming projects in the pipeline. We have worked closely with an active community group called CIDER, (Champlain Islanders Developing Essential Resources) for 15 years to create a service-enriched affordable senior housing community, Champlain Islands Senior Housing. We now have site control on a parcel in South Hero - a walkable smart growth site near the designated village center next door to the Community Health Center, near the new library and a bagel shop and café. VHCB funds were essential to our planning efforts over the years and we will need more VHCB funds in order to start construction in 2021.

Now is the time to be bold and invest to the full statutory share for VHCB. The investments in VHCB not only leverage large amounts of additional dollars from other sectors such as private equity, federal and philanthropic funding but positively impact so many other vexing challenges that add budget pressures such as homelessness, General Assistance spending, Medicaid spending and the opioid crisis. You can be confident that fully funding VHCB will create the results we need: more affordable housing, investment in our downtowns and rural areas, climate resilience, water quality protection and more.

On behalf of the VHCC I strongly urge your committee to support an increase to VHCB to \$22.6 M, the full statutory share of the Property Transfer Tax.

JUNIPER HOUSE

35 CAMBRIAN WAY | BURLINGTON, VERMONT

WHAT: Juniper House is a new apartment building for older adults under development in Burlington’s dynamic Cambrian Rise neighborhood. Located on an active bus route, Juniper House will offer 70 one- and two-bedroom apartments, with a mix of affordable and market-rate rents. Amenities will include a lounge, community room with kitchen, exercise room, elevators, laundry facilities, covered parking, on-site storage, and garden beds. Five apartments will be fully ADA accessible, two will be audio-visually accessible, and all will be adaptable. Twenty-five apartments will offer rental assistance provided by the Burlington Housing Authority. The building will meet Burlington Electric Department’s “High Performance Multifamily Building Standard” for energy efficiency, and rent will include heat, air conditioning, hot water, laundry and electricity.



Juniper House will offer Support and Services at Home (SASH®), with an onsite SASH coordinator and part-time wellness nurse, at no cost to residents. SASH is a care-coordination program that helps participants access the care they need in order to stay healthy and remain living safely at home.

WHO: Cathedral Square, a leading nonprofit, affordable-housing owner and manager, will be the general partner in two limited partnerships that will own the property and also will be the property manager and service provider. Duncan-Wisniewski Architecture is the architect, Wright & Morrissey is the general contractor, and J.D. Kantor Inc. is the development consultant. Cathedral Square is a national leader in the development of affordable, service-enriched housing communities for older adults and people with disabilities and other special needs. For more than 40 years, Cathedral Square has pursued its mission to advance “healthy homes, caring communities and positive aging.”

HOW: Funding totaling nearly \$19M has been raised from federal, state and private sources listed in the table as well as the Vermont Housing Finance Agency (VHFA) and Mascoma Bank. VHFA and People’s United Bank are providing construction financing.

WHEN: Construction will begin in September 2019 and will be complete by December 2020.

SOURCES OF FUNDING	
People’s United Bank Tax-Credit Equity	10,820,700
VHFA Permanent Financing	2,635,000
Vermont Housing & Conservation Board (VHCB) Housing Revenue Bond	2,349,278
National Housing Trust Fund	1,180,200
HOME Investment Partnership	700,000
State Tax-Credit Equity	542,137
Burlington Housing Trust Fund	388,321
Deferred Development Fee	186,500
Burlington Electric Dept. & Vermont Gas Systems Energy Incentives	182,302
VHCB Feasibility	10,000
TOTAL	\$18,994,438



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CHAMPLAIN ISLANDS SENIOR HOUSING

Carter Lane, South Hero, VT

CSC Entrance



1/15/20