



House Committee on Commerce and Economic Development

February 6, 2019



Vermont Housing & Conservation Board



“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 of primary importance to the economic vitality and quality of life of the State.”

10 V.S.A.15 §302



30 Years of Housing & Conservation

- 267,900 acres of working forests, natural areas and 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

Rural Community Development



- ✓ Workforce Housing
- ✓ Investments in Downtowns and Village Centers
- ✓ Transferring Farm and Forestland to the Next Generation
- ✓ Vermont's Outdoor Recreation Assets
- ✓ Farm, Food and Forest Enterprises
- ✓ Revitalizing Historic Community Buildings

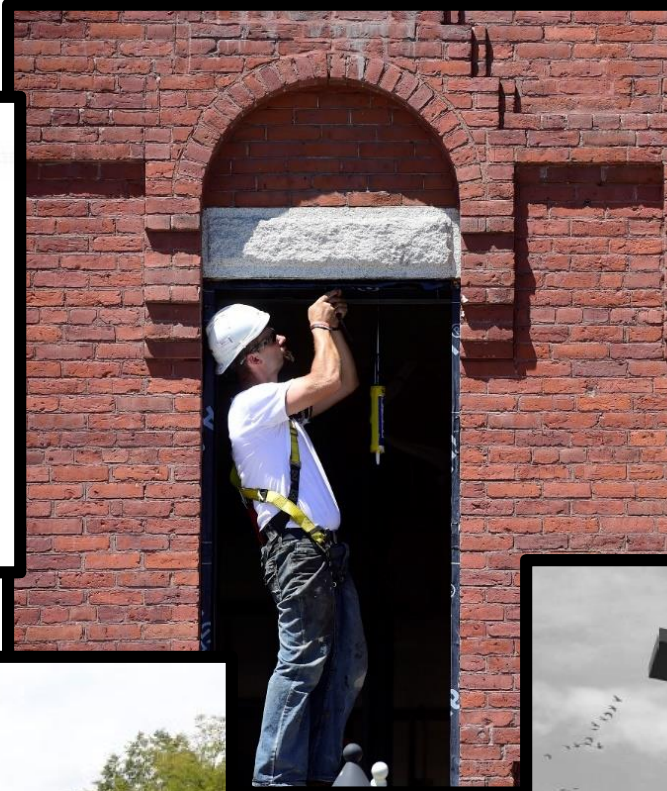
Vermont Housing & Conservation Board



Appointed by the Legislature and the Governor, the 11 member board holds meetings around the state and recently visited the Brandon Falls Park, funded by VHCB in 1993.

Downtowns Revitalized

Brattleboro, Springfield, Montpelier, Bennington and St. Albans funded by the Housing Revenue Bond. St. Johnsbury to be Considered Soon

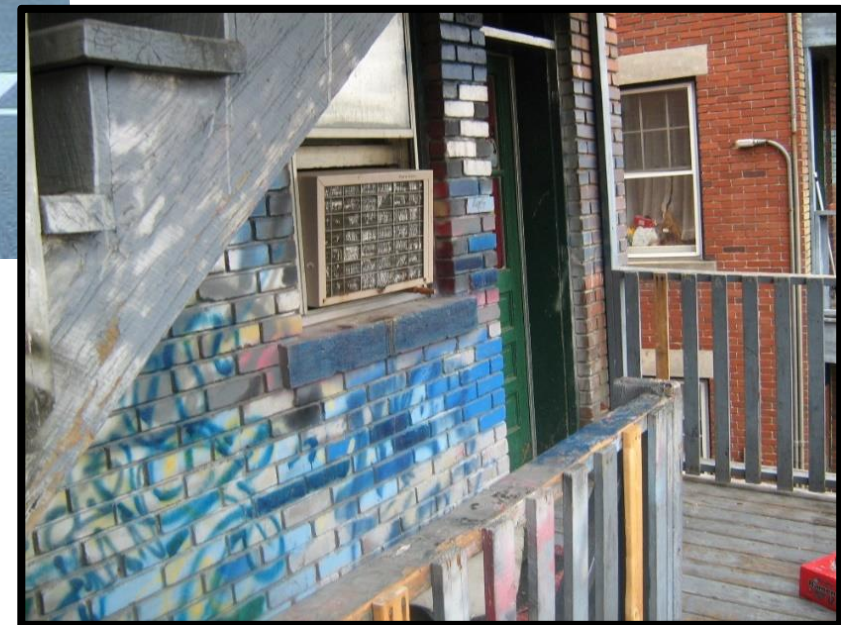


Union Square, Windsor



At the town's request, this distressed, historic property underwent major rehabilitation by Windham & Windsor Housing Trust and Housing Vermont

Now 58 affordable apartments with support services.





Downtown Revitalization in Springfield

HRB funds will soon create 15 new affordable apartments above main street commercial space in the Woolson Block.

Previously, VHCB funded the redevelopment of the Ellis block. Together, they help keep the heart of Springfield alive and will support efforts to draw public and private investors to the proposed Black River Innovation Center.





Revitalizing One Community through Housing and Conservation



VHCB has invested state funds in housing, land conservation, and agricultural business planning services. Housing awards to 10 properties in Morrisville with 76 homes have helped revitalize downtown, grow the grand list, and provide decent and affordable housing while also leveraging millions in private and federal funding. Investments in agriculture enterprises and land conservation provide capital to farmers and business planning support to farm, forest, and food enterprises and protect important natural resources for wildlife habitat and traditional recreational uses.



Conserving working forests & supporting the economy

- Backdrop for Vermont's world-class tourism industry and boost for rural economies as demonstrated by Prospect Mountain, Westford Town Forest, Mount Ascutney, and Kingdom Trails, all conserved with VHCB funding.
- The Vermont forest products industry contributes 10,555 jobs and \$1.5 billion in economic output, including value-added manufacturing and tourism.
- VHCB has protected 6 town forests totaling 1,865 acres over the past two years.



Choiniere Family Farm, Highgate Mississquoi Bay Watershed

The Choinieres implemented numerous conservation practices, installing buffers along the river, cattle lanes and fencing, and keeping manure under cover using bedded pack barns. The farm now produces milk without feeding grain. The Choinieres purchased a neighboring conserved farm last year and sold river corridor restrictions along the Rock River.

Workforce Housing

- Housing with residents or owners that work – *Practical Meaning*
- Housing provided by and near industry where housing prices prevented workers from living near their jobs – *Historical Definition*
- Housing affordable to households at 60 to 120% of the median – *Urban Land Institute*
- Housing affordable to households with earned income that is insufficient to secure quality housing in reasonable proximity to the workplace - *Wikipedia*





Sally MacCay
photo

Housing the Workforce

77% of households in VHCB/LIHTC rental homes are employed*
Damaged by Tropical Storm Irene, this former state office building was restored and expanded to create 27 affordable apartments, home to residents working in health care, retail, restaurants, and for the State of Vermont.

*does not include seniors or those with a disability; source: Vermont Housing Finance Agency

Economic Impact

“Construction as an industry has one of the highest economic multipliers, both in overall terms and for employment multipliers.” (*State Auditor Report: Making Economic Development Policy – July 2018.*)

The 21 projects funded by HRB thus far will result in an estimated \$124 million in construction activity.

The National Association of Homebuilders indicates each new apartment built creates 1.13 jobs and generates \$14,000 in state and local tax revenue. Single-family homes each create 2.97 jobs.

Grand list value of first three completed HRB projects increased by an estimated \$2.89 million.



Housing as Innovation

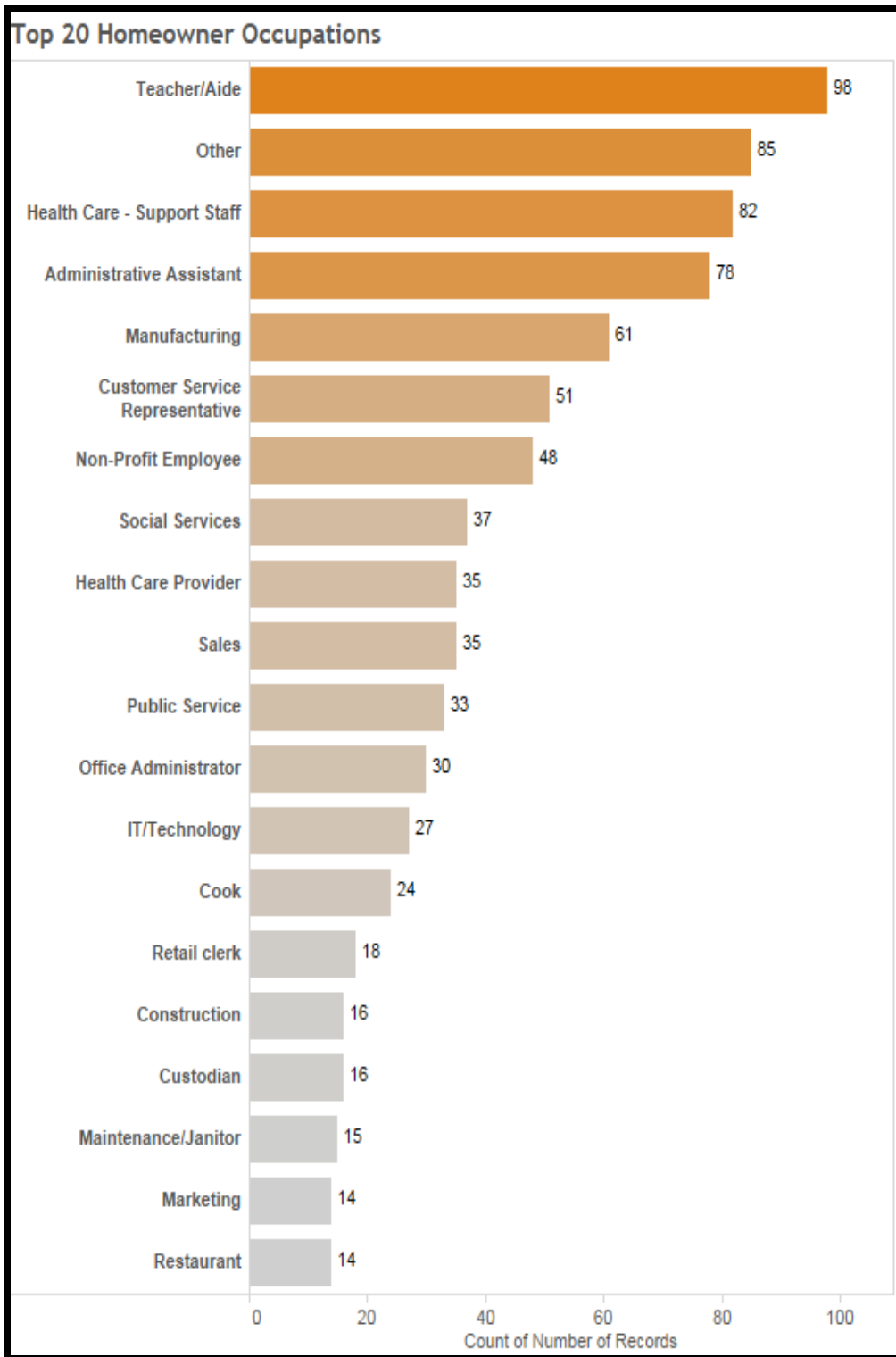
High Energy Performance Modular Homes

As a result of a post-Irene pilot project, 90 zero energy modular (ZEMs) have been purchased and installed on private land and in mobile home parks. The manufacturer, based in Wilder, now employs 16 FTEs and is negotiating a deal with Habitat for Humanity in Queens.

Homeownership

HRB funds will help Habitat for Humanity create affordable first homes like this net zero one in East Montpelier.





Homeownership for Workers

Owners of the new homes to be created with HRB funds are likely to track occupations of those in the 1,140 Habitat for Humanity and Homeland homes previously funded by VHCB statewide.

Sharing Equity

	<u>Initial Sale (2001)</u>	<u>Resale (2014)</u>
Sales Price	\$88,500	\$160,000
Grant	\$20,000	\$45,500
Net Price	\$66,500	\$114,500

Ashley purchased a condo in Colchester, where she grew up, just a few miles from her mother's home. She was able to work with a local lender, and secured a HOMELAND grant through the Champlain Housing Trust for her shared equity home.

Conservation of Natural & Recreational Areas

Ascutney Mountain, West Windsor



Acquisition and conservation of 469 acres that were added to the town forest creating a 4,730 acre block of protected land. Added 11 miles of trails to an existing network following the loss of the local ski area. Values of the land include recreation, wildlife habitat, natural resource protection, sustainable forest management, water quality protection.

Jim Lyall photo

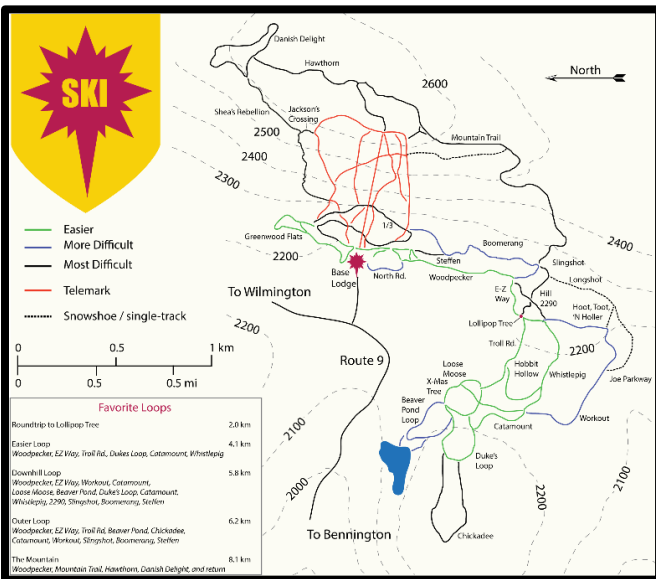
Bluffside Bike Path Recreation Corridor in Newport

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.



Recreation Landscape to be Protected and Enhanced



Prospect Mountain Nordic Ski Area in Woodford

Rock Point

VHCB recently awarded \$144,000 for the conservation of this natural area – a high priority for the state’s most populated region.



Maple Shade Town Forest

VHCB helped Westford conserve 130 acres of forestland between the village center and the elementary school. The new town forest provides trails, a timber resource for the town and is cherished by local residents.



The companion, and adjacent, 42-acre Pouliot farm conservation project facilitated a transfer, at an affordable price, to a local couple who had been leasing the property for the past 10 years for their nearby dairy. The farm project also includes wetland protections and public access to the new town forest.

Historic Preservation as Economic Development

Guilford Country Store in Algiers Village



Historic Preservation as Economic Development

Latchis Theater and Hotel Complex
Brattleboro



Jim Lyall photo

How Housing Matters

MacArthur Foundation

“As research increasingly shows, housing that is safe and affordable and in a strong and thriving neighborhood is a launching pad to upward mobility for families.”

“Substandard housing contributed to children’s poor health at age 6 and developmental delays by age 2.”

“Moving three or more times in childhood – lowered later earnings by nearly 52%.”



MacArthur Foundation Report on Housing:
Why Educators, Health Professionals and Those Focused on Economic Mobility Should Care About It.



Housing Revenue Bond Initiative Well Underway

Signed into law on June 28, 2017.

VHFA shaped and issued the bonds. Sale exceeded expectations and raised \$37 million. VHCB's record of investments in permanently affordable, energy-efficient housing in smart growth areas allowed marketing as a sustainability bond.

\$24.8 million committed. Nearly \$140 million leveraged. Remaining bond proceeds to be awarded by the end of 2019.

Vermonters Moving into New Homes



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

First 86 homes are completed and occupied – Brattleboro, South Burlington and Putney.

Another 240 under construction with 200 more set to get underway by the end of the year.

Putney Landing

The first new neighborhood to be completed with HRB funding and the 18 mixed-income apartments were filled immediately. The new residents work in retail, manufacturing, services, finance and health care. Sixteen children now call this home.



Meeting HRB Goals

- Bond proceeds committed to projects within 3 years.
- Targeting 25% of the homes to households between 80 and 120% of median and 25% to households at or below 50% of median.
- On track to exceed production goal of 550 to 650 homes.
- Primarily new units or bringing substandard units back into service.
- HRB funding is also making possible the private development of a projected 296 additional 80 to 120% units.



Statewide Household Median Incomes

Median income for a household of four is \$79,700

120% of median for a household of four is \$95,600

80% of median for a household of four is \$63,750

50% of median for a household of four is \$39,850

Public Private Partnership at Cambrian Rise

New neighborhood of 700 new homes under development. 12 acres of conserved land with public access on Lake Champlain in Burlington. All levels of affordability from luxury condos to apartments dedicated to the homeless.



Partnership between the City, private developer, the Champlain Housing Trust and Cathedral Square Corporation. HRB funding committed to 167 apartments and condos for moderate to low income households. Including those experiencing homelessness.

Workforce Housing at Wentworth Apartments

Construction of 30 new homes is underway in White River Junction. Twin Pines Housing Trust and Housing Vermont are using HRB funds for mixed-income apartments including 9 targeted to households between 80 and 120% of median. Five apartments dedicated to the homeless. A second phase will create an additional 12-15 apartments on the same site.



Public Private Partnership Creating a New City Center



Snyder Braverman Development Company and Cathedral Square Corporation developed 39 apartments for older Vermonters in South Burlington. Allard Square is the first building in a larger development where 60 affordable apartments are now being built by Snyder Braverman in partnership with Champlain Housing Trust. Market rate homes and a new community center with library and municipal offices will follow.



Workforce Housing

Taylor Street, Montpelier

Downstreet Housing & Community Development and Housing Vermont are building 30 mixed-income apartments above a new downtown transit center using HRB funds, LIHTCs and other resources. Targeted for households with incomes ranging from below 50% of median to 80-120% of median. Construction to be completed by Fall.



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.

Majority of HRB projects have units designated for the homeless.

Clara Martin Center, Randolph



This vacant, historic building on Main Street will be renovated and 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.



VT Farm & Forest Viability Program in 2018

- 144 farms received business or transfer planning services
- 5 food hubs received strategic planning assistance
- 12 forest products businesses received business assistance
- 6 forestland-owning families received one-on-one succession planning assistance

Total enrolled Viability clients: 167

- 68 loggers attended 3 business management workshops
- 43 family forestland owners and consulting foresters attended 4 succession planning workshops

VHCB's Vermont Farm & Forest Viability Program

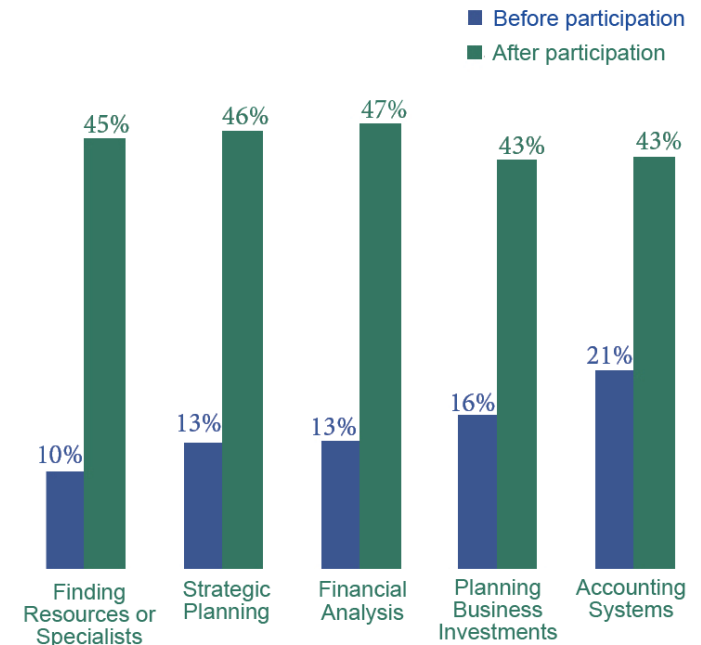
- 16 years of in-depth advising
- Served over 800 businesses
- 30% of enrollees are conserved

2018 Viability Program Participants:

↑
Gross sales by **21%**

↑
Profits by **\$32,500**
per business

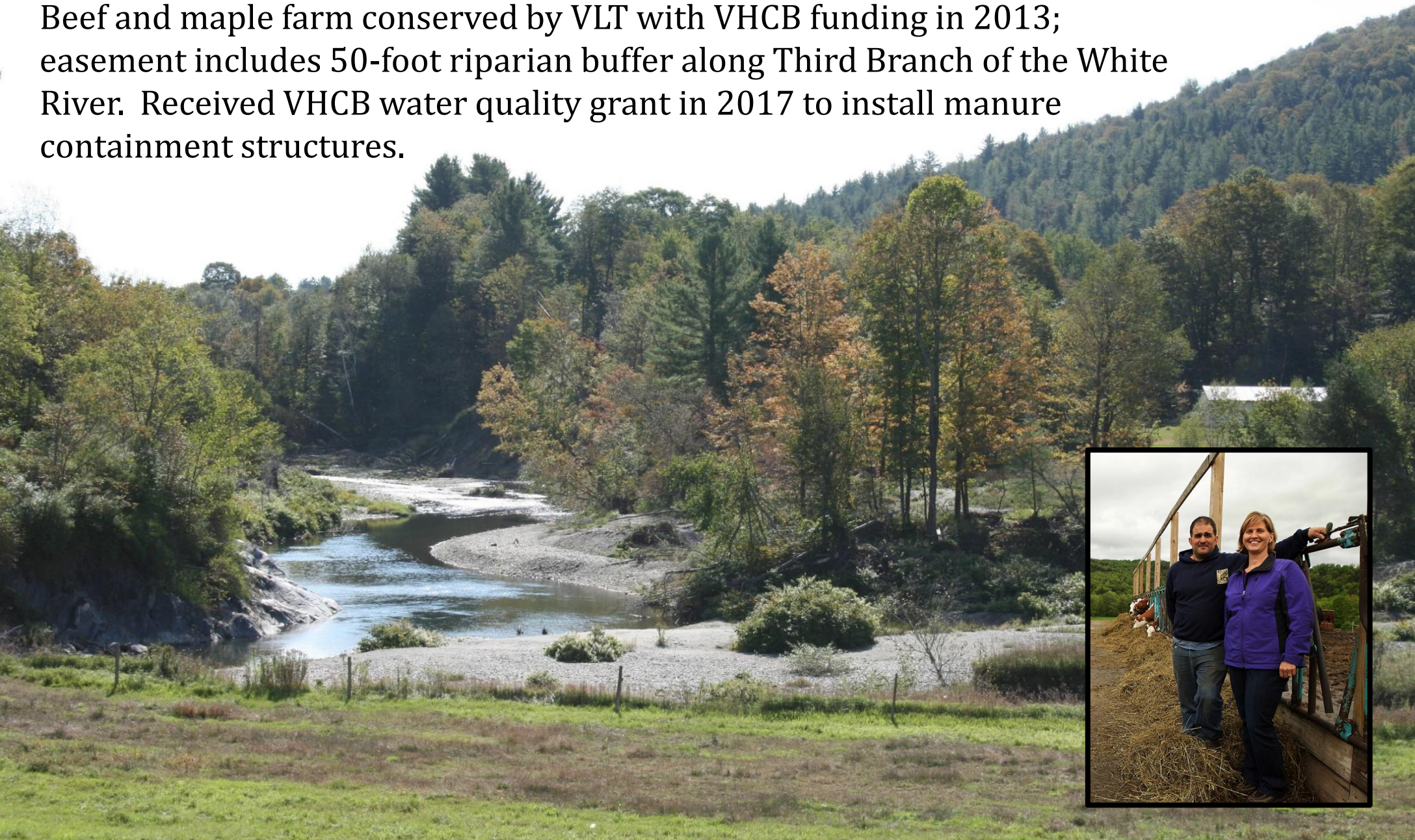
*Percent of farmers who report
high skills in:*



Conservation and Water Quality

Poulin and Daughters Family Farm, Randolph

Beef and maple farm conserved by VLT with VHCB funding in 2013; easement includes 50-foot riparian buffer along Third Branch of the White River. Received VHCB water quality grant in 2017 to install manure containment structures.



Holyoke Farm – St. Albans

Holyoke Farm is a 300 acre, 200 year-old farm owned by John and Heather Brigham. They transitioned to organic in 2014 and also sell syrup and eggs. In their second year of business planning, they are also working to address resource management changes, including updating laneways and water crossings. They also received a grant to improve the farm's manure pit.





Zach Woods Herb Farm - Hyde Park

Jeff and Melanie Carpenter did business planning through VHCB's Viability Program to help grow and improve efficiency. They were also awarded an implementation grant for medical & culinary herb drying equipment, a critical step for their expansion.

Good Earth Farm



The owner of this small, diversified vegetable & fruit operation in Brandon worked with a Viability program advisor for several years on a business plan and land access.



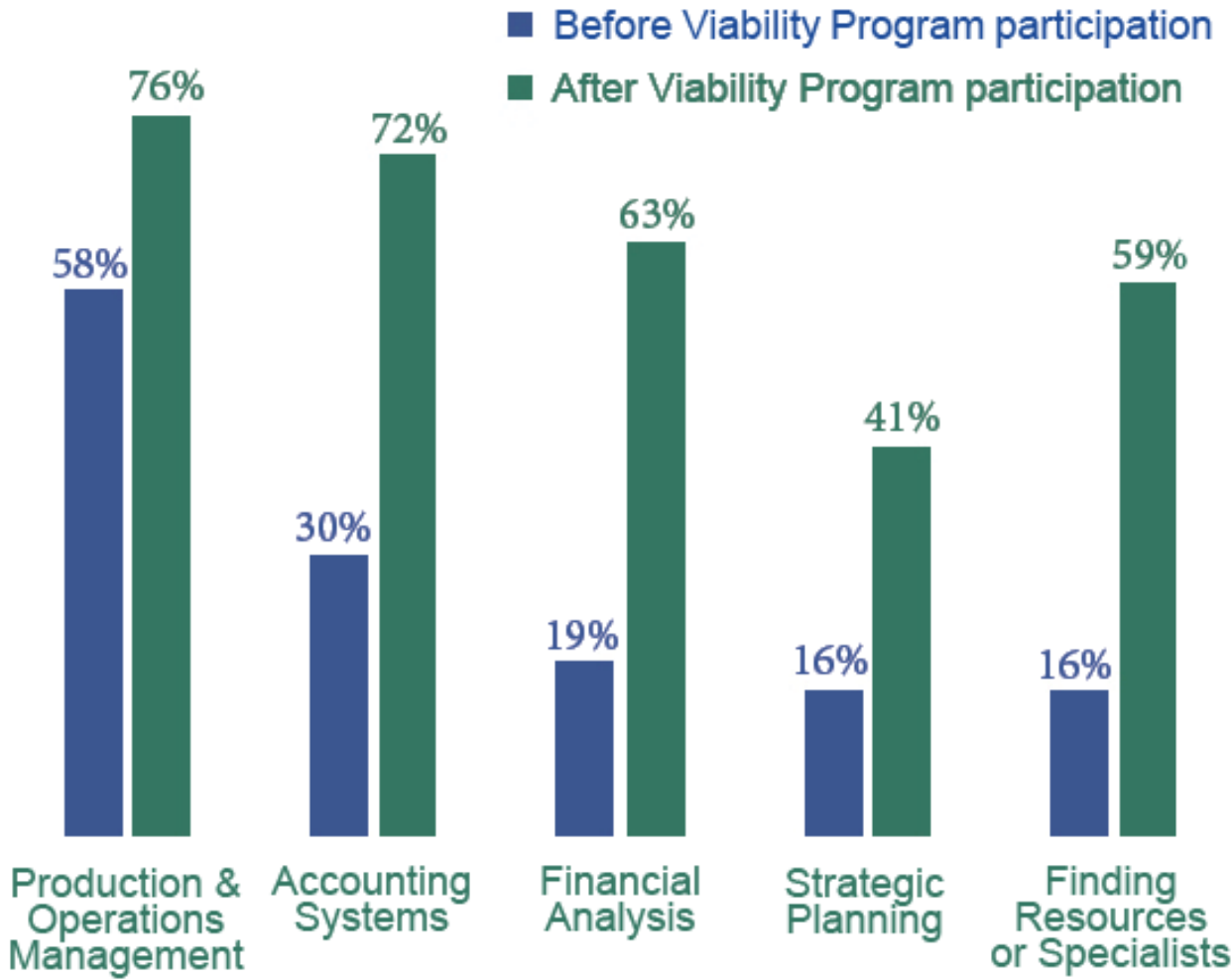
Second Wind Farm

Owners of this farm in Woodstock raise and sell pastured beef, eggs and chicken. They are working with an advisor through the Viability program on business planning for their direct to consumer business. Meanwhile, Perfecto the bull watches over his herd of Registered American Shorthorn Cattle.



Increasing Business Skills in the Forest Products Sector

The percent of forest products business owners reporting high skills over the last 3 years



Brookside Timber Harvesting Westminster



“It was great to have the program tailored around my schedule and what my business needs. Being able to read financial statements is just as important as looking at a timber lot.”



Green Mountain Grain & Barrel, Richmond

“The Viability Program has helped us see into the future and see how we are going to plan our growth.” —
Tony Fletcher , co-owner

Forest Products Businesses

Since 2015, Forest Viability Participants Report:

+15% in gross income

+2% employment

+9% payroll

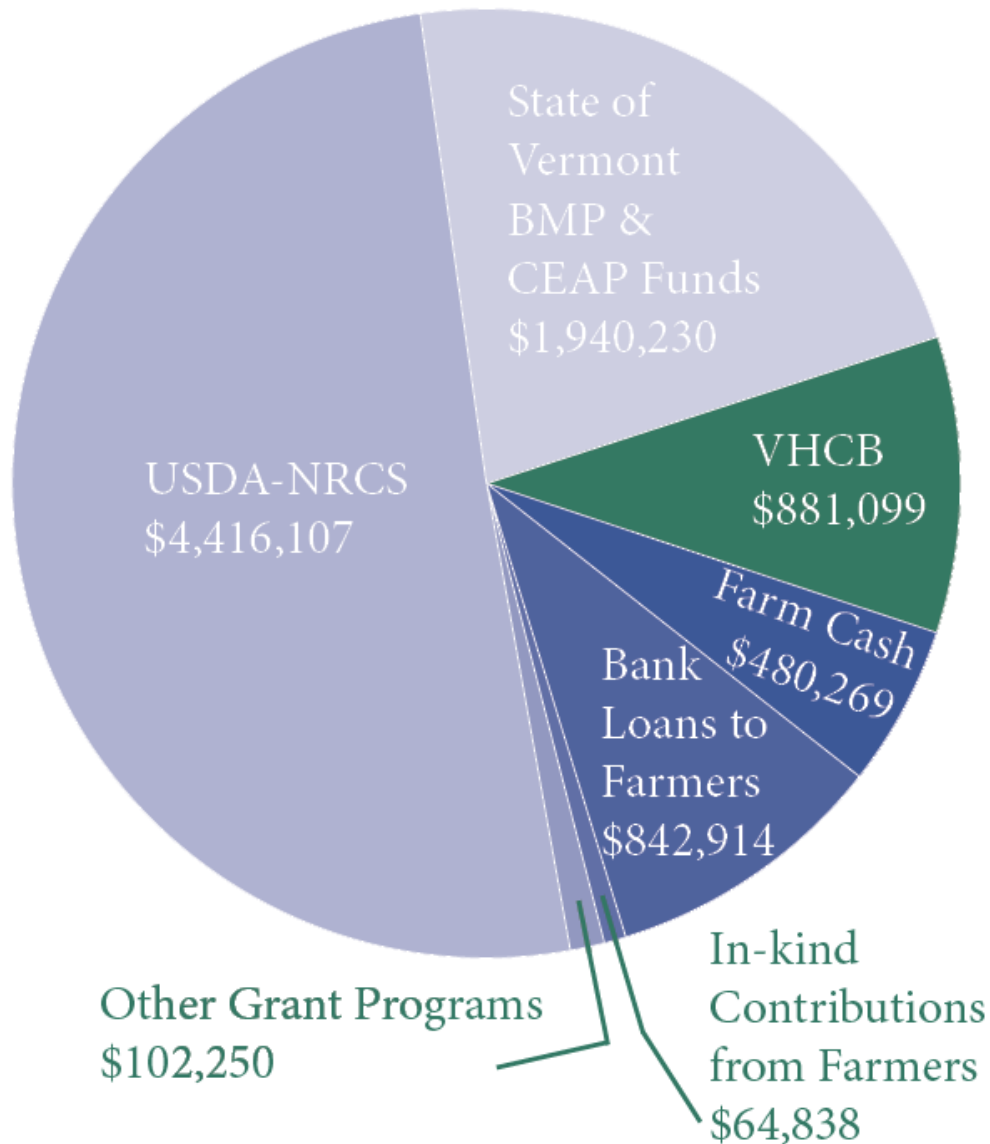


Photo: Food Connects

The Viability Program also provides business, financial, and strategic planning to local food hubs including Food Connects in Windham County

Water Quality Grants

Total funding for all projects



Grants to farmers for infrastructure and equipment to protect water quality.

In FY18 & FY19, 29 farms were awarded a total of \$881,099 in capital bill funds, leveraging an additional \$7.8 million from other sources.

Typically pay for costs other programs can't cover and often allow priority projects to proceed.

Water Quality and Dairy Improvement Grants



The O'Donnells milk Holsteins on their farm in Westfield along the headwaters of the Mississquoi River. With a VHCB Water Quality Grant, they purchased a manure injection system to help them manage phosphorus and nitrogen levels in the soil, reduce nutrient runoff, and increase crop yields. A dairy improvement grant awarded in 2017 helped the farm construct a new manure storage facility.

REDI

Act 194 of 2017 directed VHCB to create a Rural Economic Development Initiative. Using the specially-appropriated **\$75,000** for grant-writing services, the Viability Program helped 10 rural enterprises and small towns secure **\$1.75 million** in grants.

Ardelia Flower Farm in Irasburg received funding to build a lab for the micro-propagation of specialty ranunculus cultivars.



REDI



More to be Done

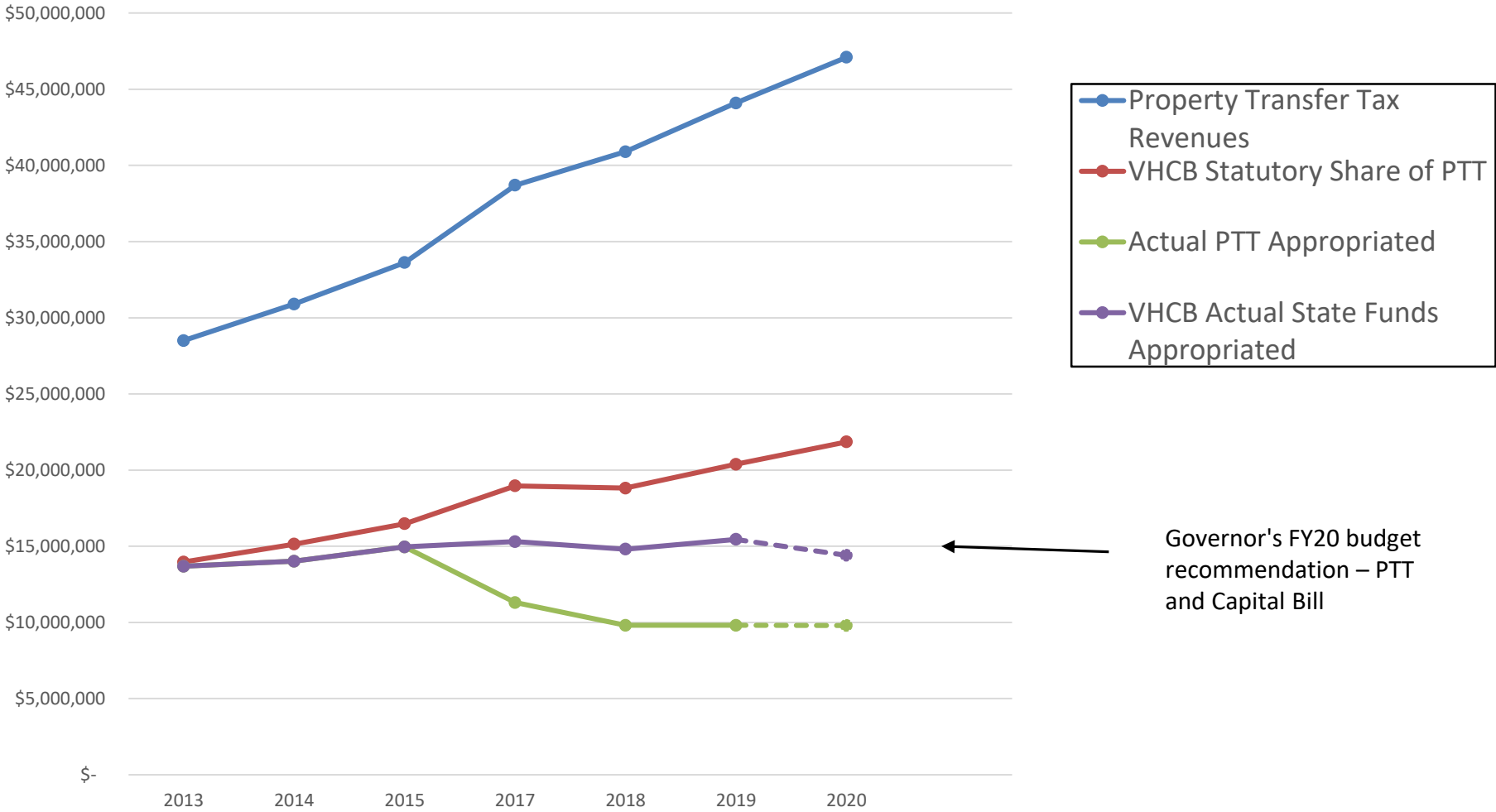
18-Month Pipeline

- ✓ \$16 million for 54 farmland conservation projects
- ✓ \$9 million for 61 natural resources and recreational areas projects
- ✓ \$1.5 million for 24 historic community buildings
- ✓ \$32 million for 45 rental housing projects, homeownership and accessibility



Restoration of the wood-fired oven in the historic Rise Up Bakery adjacent to the Old Labor Hall in Barre

VHCB Appropriations 2013-2020



Governor's FY20 budget recommendation - PTT and Capital Bill

VHCB Programs

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

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