



VERMONT HOUSING and CONSERVATION COALITION

Testimony of Philip B. Huffman to the Senate Appropriations Committee April 16, 2019

Good afternoon, Chair Kitchel and members of the Committee. Thank you for your time, your tireless efforts on behalf of Vermonters, and the opportunity to testify today.

My name is Phil Huffman, and I am Director of Government Relations and Policy for The Nature Conservancy in Vermont (TNC). I'm here today as one of the co-chairs of the Vermont Housing and Conservation Coalition (VHCC), a collection of about 60 organizations working to advance vital conservation and affordable housing projects across the state. Together we represent tens of thousands of Vermonters who are dedicated to these issues that are so fundamental to the well-being of our communities and landscape, now and in the future.

Thank you for your past strong support for the Vermont Housing and Conservation Board. We ask now for you to **increase VHCB's base funding by \$1.5 million above the House budget**, which would bring VHCB's total to just over \$17 million. This \$1.5 million increase is equal to VHCB's 50% statutory share of the projected \$3 million increase in Property Transfer Tax receipts.

You've heard from my fellow co-chair Chris Donnelly and others about the pressing need for additional investment in VHCB to support critical affordable housing projects. I will take this opportunity to focus on the equally pressing need to increase VHCB funding to support key time-bound conservation projects that are in the queue and at risk.

Right now is rare moment of opportunity for Vermonters. VHCB currently has applications for more than half a dozen unusually large and significant "legacy" conservation projects from different corners of the state. These include:

- Arlington Town Forest – 400 acres in Arlington, Bennington County
- Brownsville Forest – 750 acres in Stowe, Lamoille County
- Glebe Mountain – nearly 3,500 acres in Londonderry and Windham, Windham County
- Okemo Wildlife Corridor – 330 acres in Mount Holly, Rutland County
- Victory Hill – more than 1,000 acres in Victory, Essex County
- other large town forest projects in Chester (1,000 acres) and Shrewsbury (500 acres)

As is true of VHCB-supported conservation projects over the past 32 years, these projects offer a cost-effective way to address many of Vermont's most pressing needs and challenges, including:

- expanding rural economic and community vitality by securing outdoor recreation opportunities and bolstering our irreplaceable green brand based on our iconic landscape;
- drawing on the power of nature to protect and enhance water quality and reduce the vulnerability of downstream communities to flooding;
- using our forests to slow the pace of climate change through their ability to absorb and store carbon from the air;
- promoting the health and well-being of Vermonters by providing nearby places for outdoor activity and fulfillment;
- building the resilience of our communities and ecosystems to climate change by protecting key forest blocks and providing undisturbed habitat for native plants and wildlife.

Moreover, unlike many other state programs, state expenditures on these and other conservation projects through VHCB are one-time investments that provide enduring benefits. Once a town forest, natural area, wetland, swimming hole, or farm is conserved, it provides these benefits in perpetuity.

But without an increase in funding for FY20, VHCB will be unable to support the critical legacy projects before it. The once-in-a-lifetime opportunity they present may be lost, along with more than \$12 million in leverage from other funding sources – about 6 times the amount of state funding needed for them.

This remarkable amount of leverage is not unusual for VHCB-supported projects. In fact, over its 32-year history VHCB projects have leveraged a total of \$1.7 billion from outside sources on the State's investment of \$345 million – about \$5 for every \$1 of state investment. This degree of leverage is unusual for state programs and is just part of the significant return on investment that Vermonters get for every dollar allocated to VHCB.

In addition, a recent analysis conducted by the Trust for Public Land's Conservation Economics team for several conservation organizations under the umbrella of the Vermont Forest Partnership demonstrates significant additional return that Vermonters receive from VHCB and other state investments in conservation. The TPL team found that for every \$1 of state investment in conservation over the past 30 years, Vermonters have received \$9 worth of natural goods and services such as air and water quality protection, carbon storage, flood resilience, and food production. And that 9:1 ROI doesn't include any of the huge additional economic benefit that conserved lands provide to the state's farming, forestry, outdoor recreation and tourism industries, which together generate several billion dollars per year.

The results of state investments through VHCB in both conservation and affordable housing have been remarkable, and yet the need continues to be pressing. These projects are often years in the making, and they depend upon a reliable state partner to help get them across the finish line. We recognize you face very difficult decisions in allocating scarce funding among many worthy programs. But the outsized benefits of investments through VHCB are clear. We therefore urge you to **increase VHCB's base funding by \$1.5 million above the House budget,** an amount equal to VHCB's 50% statutory share of the projected \$3 million increase in Property Transfer Tax receipts.

Thank you again for your time, your commitment, and your consideration. Don't hesitate to contact me with any questions. And we'd welcome an opportunity to take any of you out in the field to visit one of the current legacy projects or other VHCB-supported conservation investments.

Respectfully submitted,
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Vermont Housing & Conservation Board

RIGHT ON THE NUMBERS

The Vermont Housing and Conservation Board (VHCB) was established by the General Assembly in 1987. VHCB makes loans and grants to nonprofit organizations, municipalities and state agencies that work on conservation projects and affordable housing developments in Vermont communities. VHCB is one of a few programs of its kind in the country whose mission encompasses the dual goals of conservation and affordable housing, making investments that are critical to Vermont's economic vitality and quality of life.

VHCB has built a national reputation as an innovative, highly effective public agency that helps community groups implement *local* plans to create affordable housing and protect farmland, forestland, natural areas, recreational lands and historic properties. Responding to local needs, VHCB leverages federal and private funds for community development and land conservation solutions ranging from creating supportive housing for veterans to redeveloping underused historic buildings as workforce housing; from conserving recreation areas on Lake Champlain to keeping farms in production and owner-operated. VHCB's bottom-up approach ensures that solutions are tailored to meet local needs and circumstances.

VHCB'S ACCOMPLISHMENTS THROUGH DECEMBER 2018

- Invested **\$345 million** in loans and grants in **over 200 different communities** throughout Vermont.
- Created **affordable homes and apartments** to house more than 33,000 Vermonters.
- Conserved **725 farms** covering over 167,000 acres of land.
- Conserved **267,900 acres** of significant recreational land, natural areas and **70 historic properties** for community use.
- Leveraged an additional **\$1.7 billion** in federal and private funds.
- Strengthened Vermont's agriculture, construction, recreation and tourism **economy**.

THE NEED CONTINUES

- 33,856 renter households with incomes under \$50,000 a year lack housing they can afford. **16,639 low-income renters pay more than 50% of their income for housing.** Fully 47.5% of all Vermont renters pay more than 30% of their income for housing costs. The median price of a primary residence in 2018 was \$217,500, requiring an annual household income of \$68,635 and \$20,695 in cash at closing, while the Vermont median income was \$57,808.
- Homelessness is a growing problem. **On one day in January 2018,** Vermont's shelters and service providers counted **1,291 people who were homeless.**
- Only **10.7 percent of Vermont's best agricultural soils are protected.** Without VHCB protection, much of the rest could be lost forever.
- The **cost of open land and woodlands has jumped by 250%** since 2000.
- Vermont's forestlands are part of the Northern Forest and represent the country's largest remaining stretch of temperate broad-leafed and mixed forests. **Protection of this forestland is critical for sequestering carbon,** which helps mitigate climate change, while still providing for wildlife, recreation, wood products and other uses.
- **Eighty percent of Vermont's forestland is privately owned,** and the number of Vermont landowners owning fewer than 10 acres of land continues to grow, according to the Vermont Department of Fish and Wildlife.
- According to the USDA, each year **thousands of acres of productive cropland are taken out of production** and converted to other uses. By comparison, in 2013 all 828 conserved farmland parcels with easements held by the Vermont Land Trust were in active agricultural use, except for one farm that is part of the USDA Natural Resource Conservation Service wetland reserve program. NRCS funding provides at least one-half the cost of Vermont's farmland conservation projects.



VHCB is a national leader in implementing the federal HOME program. From FY 1992 through FY 2018, this brought over \$ 86 million to Vermont for affordable housing. HUD has ranked Vermont's program as first in the nation.

Over \$990 million spent on construction jobs in VHCB-assisted housing projects have created approximately 22,000 jobs in Vermont, according to federal estimates.

VHCB has funded more than 130 local developments serving Vermonters with special needs, providing community-based housing and saving the state millions of dollars that would otherwise be spent on more expensive institutional care.



photo credit: Caleb Kenna

Every dollar spent on Vermont agriculture and forestry products generates an additional \$1.80 and \$1.70 respectively in gross state products.

The most recent study of farms that donated or sold conservation easements found that all remained in productive use.

In-state expenditures by hunters, fisherman and wildlife watchers totaled \$357 million according to the US Fish and Wildlife Service's most recent report.

Conservation provides resiliency for Vermont communities because it keeps land in productive use through transfers to the next generation and to new owners with solid business plans.

VERMONT HOUSING & CONSERVATION BOARD

BEYOND THE NUMBERS

STIMULATING ECONOMIC DEVELOPMENT



At the intersection of Canal and Main Streets in downtown Brattleboro, the Windham & Windsor Housing Trust and Housing Vermont partnered with the Brattleboro Co-op to construct retail and office space for the Co-op on the first two floors and 24 affordable apartments on the top two floors. The addition of a small park along the Whetstone Brook and proximity to public transportation helped the development win the 2012 National Award for Smart Growth Achievement from the U.S. Environmental Protection Agency.



In 2015, Paul Lisai purchased and conserved 100 acres in Albany after working with the Vermont Land Trust's Farmland Access Program. Paul had been renting land nearby to support his cows since 2011. Owning a farm was more than the realization of a lifelong dream, it meant sustaining his dairy business, Sweet Rowen Farmstead.

HOUSING & CONSERVATION INVESTMENTS STIMULATE THE ECONOMY

More than \$990 million in total development costs of VHCB-assisted affordable housing has created approximately 22,000 jobs in Vermont, according to federal estimates. Adequate housing supply is imperative to attract and retain employers and to house our workforce. Low vacancy rates and high rents continue to pose barriers to low- and moderate-income households seeking housing they can afford. With **Housing Revenue Bond** funds, VHCB is supporting the production of 650 new homes over three years, helping to put a dent in Vermont's housing shortage and leveraging other funding.

VHCB support for conservation supports Vermont's annual \$2.8 billion tourism industry by protecting our special Vermont brand, which depends upon our world-class landscape featuring working farms, access to recreational land, and historic town and village centers. Investments in these sectors spurs economic growth and helps maintain Vermont's high ranking as one of the world's top tourist destinations.

DOWNTOWN DEVELOPMENT

VHCB policies give priority to housing development in downtowns and village centers and to the protection of our working lands, natural areas, forestland and recreational lands, maintaining the character of our landscape, a big attraction for Vermonters and visitors to the state. Rural economic development is at the heart of VHCB investments in towns across the state, increasing grand lists, and leveraging federal and private investment.

RURAL COMMUNITY DEVELOPMENT

Conservation of our working lands and natural areas is an economic development engine that protects local farms, secures public access to recreational lands, and supports tourism and rural vitality. Farmers use the proceeds from the sale of development rights on their property to expand their operations, reduce debt, build new barns, or transfer the farm to the next generation. Farm businesses on conserved land produce over 500 value-added products, support farm stands and farmers markets, and contribute to retail and wholesale markets, selling food in Vermont and beyond.

WATER QUALITY

Every \$1 invested in land conservation leverages \$9 in the form of natural goods and services, saving millions in avoided costs, while improving water quality and flood resiliency and preventing forest fragmentation.¹ Easement restrictions and management plans focus on compliance with state water quality rules, on soil health, and on enhancing environmental stewardship. VHCB also makes grants to farmers for capital projects to improve and protect water quality.

FARM & FOREST VIABILITY

VHCB provides business planning and targeted technical assistance to farm, food and forestry enterprises through the Vermont Farm & Forest Viability Program. The program helps business owners hone management skills, resulting in higher profits, improved access to financing, increased production, business expansions, and ownership transitions.

HISTORIC PRESERVATION

VHCB has invested in the restoration of 70 historic buildings with public use, including theaters in Brattleboro, Springfield, Putney, Rutland and Burlington, vacant school buildings, granges, and town halls around the state, reviving community spirit and providing economic stimulus.

¹Vermont's Return on Investment in Land Conservation, The Trust for Public Lands, 2018.

PROMOTING ENERGY EFFICIENCY AND MINIMIZING CLIMATE CHANGE

Vermont is a national leader in creating energy efficient housing, both in new construction and rehabilitation. Since 2008, VHCB has invested in energy efficiency improvements in more than 2,400 apartments in the state's portfolio of affordable housing. Measures include air sealing, adding insulation, and replacing aging boilers with air source heat pumps and biomass boilers. Many developments now feature solar hot water and photo-voltaic solar panels. These upgrades produce energy savings averaging 39% and as high as 56%.

Housing and conservation investments support energy efficient, affordable housing, shorter commutes, carbon sequestration in our forests, and foods coming from our local farms. Many Vermont farmers are at the forefront of devising new methods for creating on-farm energy through methane digesters, wind turbines, and bio-fuels. By protecting working farms and forests we are creating options for future energy independence.

RESPONDING TO EMERGENCY NEEDS

The recovery from Irene flooding and other severe storms continues, as do cost-effective activities to reduce the impact of future extreme weather events. VHCB and the network of affordable housing and conservation partners support our communities, helping them relocate and rebuild housing, create riverside public parks, and conserve floodplains that absorb floodwaters.

PROTECTING WATER QUALITY

VHCB's investments in land conservation are helping to protect and enhance water quality and reduce flood and erosion risks.

- In FY 2018-19 all VHCB-funded farmland conservation projects with surface waters received additional water quality protections in the conservation easements.
- Conserved forestlands reduce downstream flooding and filter sediment and nutrients from runoff before it enters streams, improving water quality.
- VHCB receives USDA matching funds on a 1:1 basis for all farm conservation projects. All projects include management plans to address soil conservation and water quality protection.
- \$5 million in VHCB farmland funding over five years is matching a \$16 million federal grant from the Regional Conservation Partnership Program to improve Lake Champlain Basin water quality.

A publication of the Vermont Housing & Conservation Coalition

More than 50 private, nonprofit organizations representing a wide spectrum of interests, from small, community-based land trusts that secure and steward public access to recreation areas to statewide developers of affordable housing.



Photo credit: Caleb Kenna

Kingdom Trails Association (KTA) manages bike trails in Burke and Lyndonville, logging 80,000 trail visits annually and generating \$16 million in economic activity for area businesses. VHCB and VLT helped KTA purchase and conserve 133 acres, protecting a trail voted among the best in the nation by mountain bikers.



Walter Putnam had been living in a tent in the woods before finding a permanent home with supportive services at Beacon Apartments in South Burlington.



Kayaking, fishing, and birdwatching are popular pastimes at The Nature Conservancy's White River Ledges Natural Area. Two miles of shoreline were protected when the preserve expanded to 655 acres.

Ella Armstrong conserved a scenic and productive farm in Calais and sold the land to farmer Mike Betit for his organic vegetable business. Public access to the Pekin Brook and water quality protections for wetlands were both incorporated into the conservation easement.

Photo credit: Paul E. Richardson

Vermont's return on investment in land conservation

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The Trust for Public Land conducted an economic analysis and found that every \$1 invested in land conservation by the state returns \$__ in economic value in natural goods and services, such as water quality protection, flood mitigation, and food production, to the Vermont economy.

State investment in land conservation also supports critical industries in Vermont that depend on the availability of high-quality protected land and water such as forestry, farming, outdoor recreation, and tourism. Conservation investments support jobs in these important industries and reinforce Vermonters' strong sense of place.

Diverse and productive landscapes including forests, farmland, mountains, and river valleys have been protected by the state through the Vermont Housing and Conservation Board, River Corridor Easement Program, Duck Stamp Fund, and Long Trail Fund. These conservation lands provide natural goods and services, bolster forestry and farming, stimulate tourism and outdoor recreation, propel economic development, support fiscal health, enhance human health, and leverage non-state dollars.

For the full report, visit www.tpl.org/vermont-roi

Sustaining working forests

Land conservation supports forestry in Vermont by helping to maintain the intact working landscapes on which this industry depend. The forest products industry supports 10,600 employees and generates \$1.48 billion in economic output.

Bolstering the farming industry

Conserving land is a key component of Vermont's farming future. The state's farms annually produce \$786 million in agricultural commodities, including \$468 million in dairy products and \$59.7 million in maple syrup. Vermont also leads the country in farm stands, direct-to-consumer sales, farmers' markets per capita, as well as maple syrup production.

Stimulating tourism and outdoor recreation

Conservation lands are critical to the state's tourism and outdoor recreation industries. Each year, tourists spend \$2.61 billion in Vermont. The state's scenery, world-renowned foliage, local foods, and opportunities for outdoor recreation play an important role in attracting visitors. In addition, 72 percent of Vermont residents participate in outdoor recreation each year. Together, tourists and residents generate \$5.5 billion in annual consumer spending related to outdoor recreation, which supports 51,000 jobs with an associated \$1.5 billion in wages and salaries.

Realizing a valuable return on investment in natural goods and services

Lands conserved in Vermont provide valuable natural goods and services such as water quality protection, food production, and flood control. The Trust for Public Land analyzed the economic value of natural goods and services provided by lands conserved by Vermont between 1988 and 2016. For every \$1 invested in land conservation, \$__ in benefits is returned to the state.

Enhancing human health

Increased access to public outdoor spaces encourages people to exercise and reduces health care costs related to obesity and associated chronic diseases such as

diabetes, which cost the state over \$200 million per year. Increased exposure to the outdoors can lead to long-term mental health improvements and new research is finding that conservation can decrease the risk of Lyme disease.

Leveraging federal, private, and nonprofit funds

Vermont's land conservation programs maximize the impact of state investments by leveraging funding from non-state sources. For example, every conservation acquisition that received state funding in the last 10 years was matched at least dollar for dollar by non-state funding.

Propelling economic development

Land conservation fuels a working and natural landscape and enhances the scenic beauty that is essential to Vermont's identity and sense of place. This improves quality of life for residents and helps retain and attract workers. These spaces also enable a wide range of recreation opportunities, which generate economic activity, support recreation related businesses, and provide jobs.

Supporting fiscal health

Land conservation saves Vermonters money through avoided costs on expensive infrastructure and other municipal services required by residential property owners, such as schools, police, and fire protection. Research in Vermont has found that, on average, property tax bills are lower – not higher – in the towns with the most conserved lands.

Source: The Trust for Public Land, Vermont's Return on Investment in Land Conservation. San Francisco, CA: The Trust for Public Land, 2018.

This project was completed in collaboration with the Vermont Forest Partnership, which includes Audubon Vermont, The Nature Conservancy, The Trust for Public Land, Vermont Land Trust, and Vermont Natural Resources Council, with generous support from the Doris Duke Charitable Foundation, and Vermont Housing and Conservation Board. Expert technical review was provided by Joe Roman, Ph.D., Gund Fellow, Research Associate Professor, Gund Institute for Environment and Rubenstein School of Environment and Natural Resources at the University of Vermont.

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generations to come.

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