

Housing Revenue Bond Progress and Remaining Needs

Senate Economic Development,
Housing and General Affairs Committee

January 29, 2019

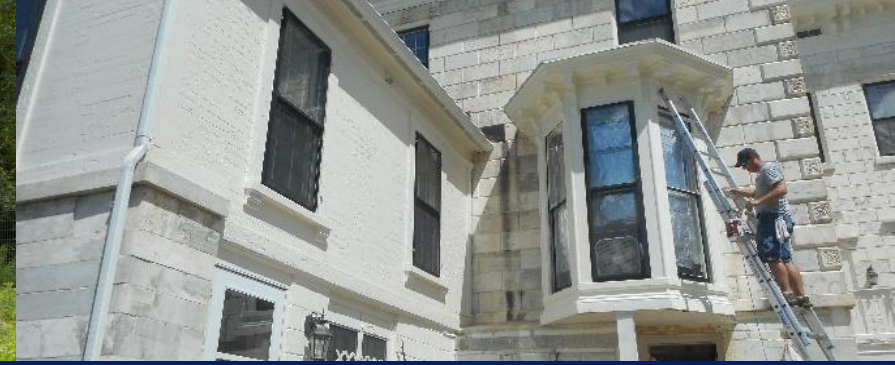


Vermont Housing & Conservation Board



“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

- 267,432 acres of working forests, natural areas and recreational lands
- 12,762 affordable homes – rental and homeownership
- 168,000 acres on 720 farms
- 70 historic buildings have been restored for community use
- 750 businesses have enrolled in our Farm & Forest Viability Program
- 550 AmeriCorps members have served through VHCB AmeriCorps
- 2,600 homes with reduced lead paint hazards

VHCB Programs

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

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.

Hickory Street, Rutland

78 newly constructed homes have replaced substandard housing in a distressed neighborhood in the heart of the community.





Franklin Homestead, Franklin

Franklin Homestead, with 23 one- and two-bedroom, independent living apartments for seniors age 55 and over, opened in 1993. Franklin Carriage House offers assisted living homes in studio apartments with supportive services provided.



Housing Revenue Bond Initiative 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.

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.

Vermonters Moving into New Homes



To date, HRB has funded 21 projects 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 now occupied in Putney, South Burlington and Brattleboro.

Another 240 homes are under construction with 200 more set to get underway by the end of 2019.

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 157 apartments and condos for moderate to low income households.

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 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.





Downtown Revitalization

Woolson Block

HRB and other funds will soon create transitional housing for 4 homeless youth with a live-in supervisor as well as 15 new affordable apartments above main street commercial space. Bringing this largely vacant historic building in the heart of Springfield back to life will support efforts to draw public and private investors to the proposed Black River Innovation Center.

Downtown Revitalization Snow Block

W&WHT is creating 23 new apartments on a vacant lot on Flat Street in downtown Brattleboro





Downtown Revitalization

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.

Downtown Revitalization

Putnam Block, Bennington

This redevelopment in downtown will use \$935,000 in HRB funds to create units affordable between 80 and 120% of median.



Downtown Revitalization

The City of St. Albans is leading the effort to redevelop the block across the street from City Hall. HRB funds have been awarded for 30 mixed income apartments at Maiden Lane and an additional request for 24 market rate homes will be considered soon.





Great River Terrace

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-funded projects have units designated for the homeless.

Clara Martin Center, Randolph

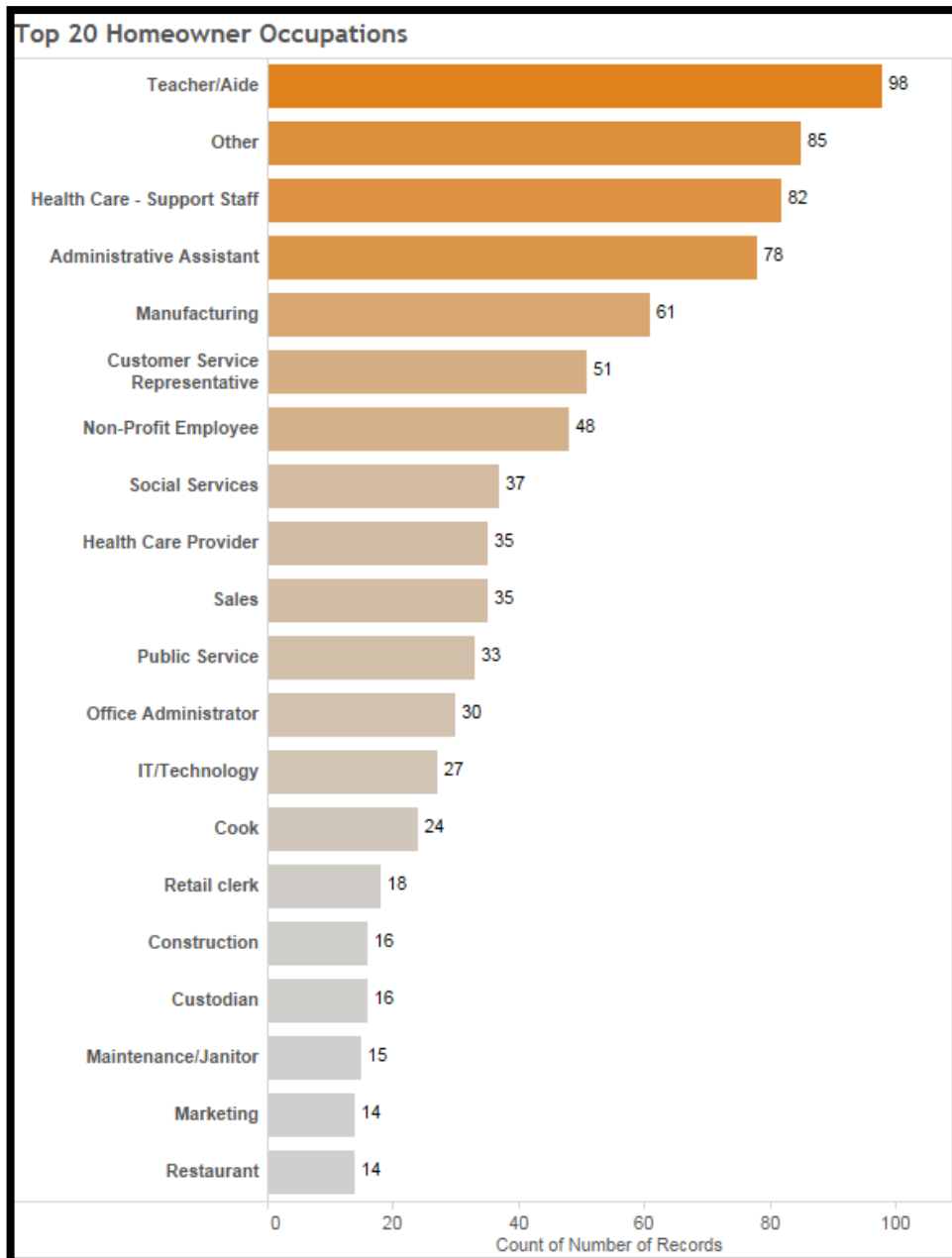


This vacant, historic building on Main Street will be renovated and become permanent supportive housing for homeless persons with mental illness. Each of the 4 apartments will have project-based rental assistance from the State Department of Mental Health.

Homeownership

HRB funds will help Habitat for Humanity create affordable first homes like this 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.



Monument View - Bennington

Economic Impact of Housing Developments

“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.

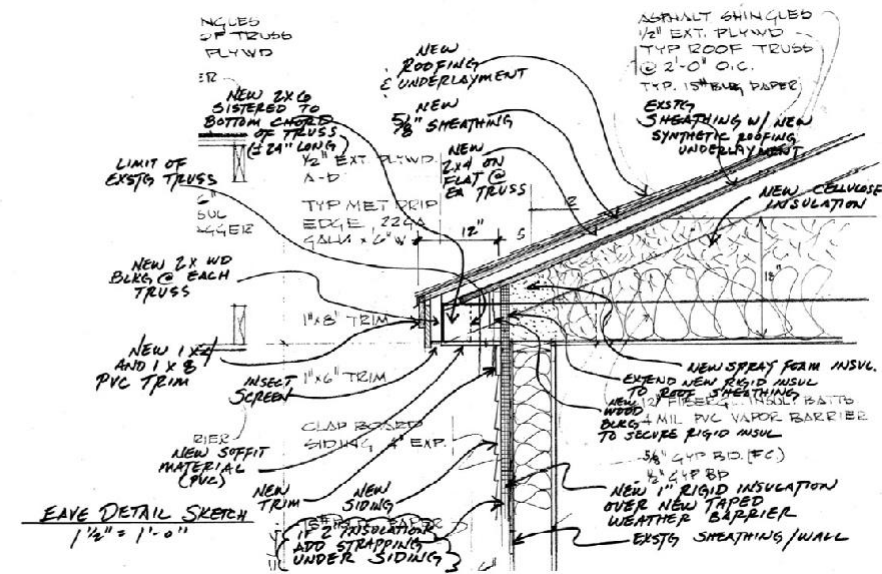
What is Working

- On track to meet the HRB goal of 550 to 650 homes
- Majority will serve families and include apartments dedicated to those experiencing homelessness
- New housing in areas of opportunity
- Downtown revitalization.
- Increasing number of formerly homeless households are now in permanently affordable housing
- More mixed-income housing developments with apartments for households with moderate incomes

What is Not

- Income from wages and benefits not growing at the pace of housing costs
- Far more families in need than affordable homes available
- Bond expected to be fully committed to projects by the end of 2019. FY2020. VHCB base funding currently below pre-bond levels. Without steady funding, housing development will slow again and supply gains will be lost
- Without rental assistance, lowest income families still struggle, even with lower rents
- Service needs exceed what nonprofit housing managers can provide

Giving Old Homes New Life



- Piloting new models for addressing the problem of existing, substandard housing.
- Windham & Windsor Housing Trust, Downstreet Housing and Community Development and NeighborWorks of Western Vermont will buy, rehabilitate and resell single family homes.
- Targeted to areas of the state where investment in older stock is needed.

Improving Health and Reducing Costs

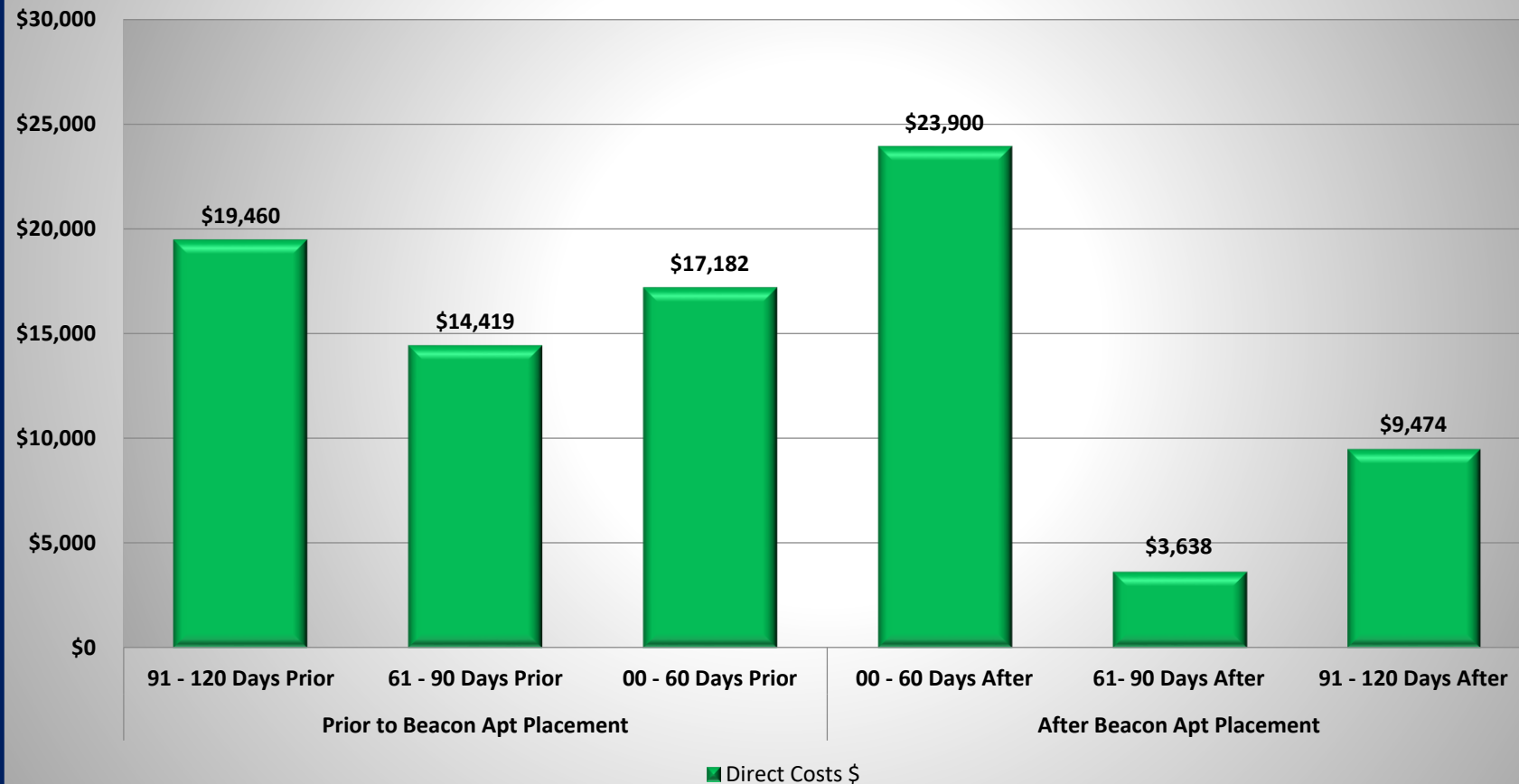


Beacon Apartments Patient Intervention Study

Direct Costs Before/After Placement

Updated through August 2017

28 Patients





Community-Based Transitional Housing

VHCB Support Saves the Correctional System \$3.7 Million

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				81 Beds		\$3,739,464 Savings

*source: Department of Corrections and VHCB 2018

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

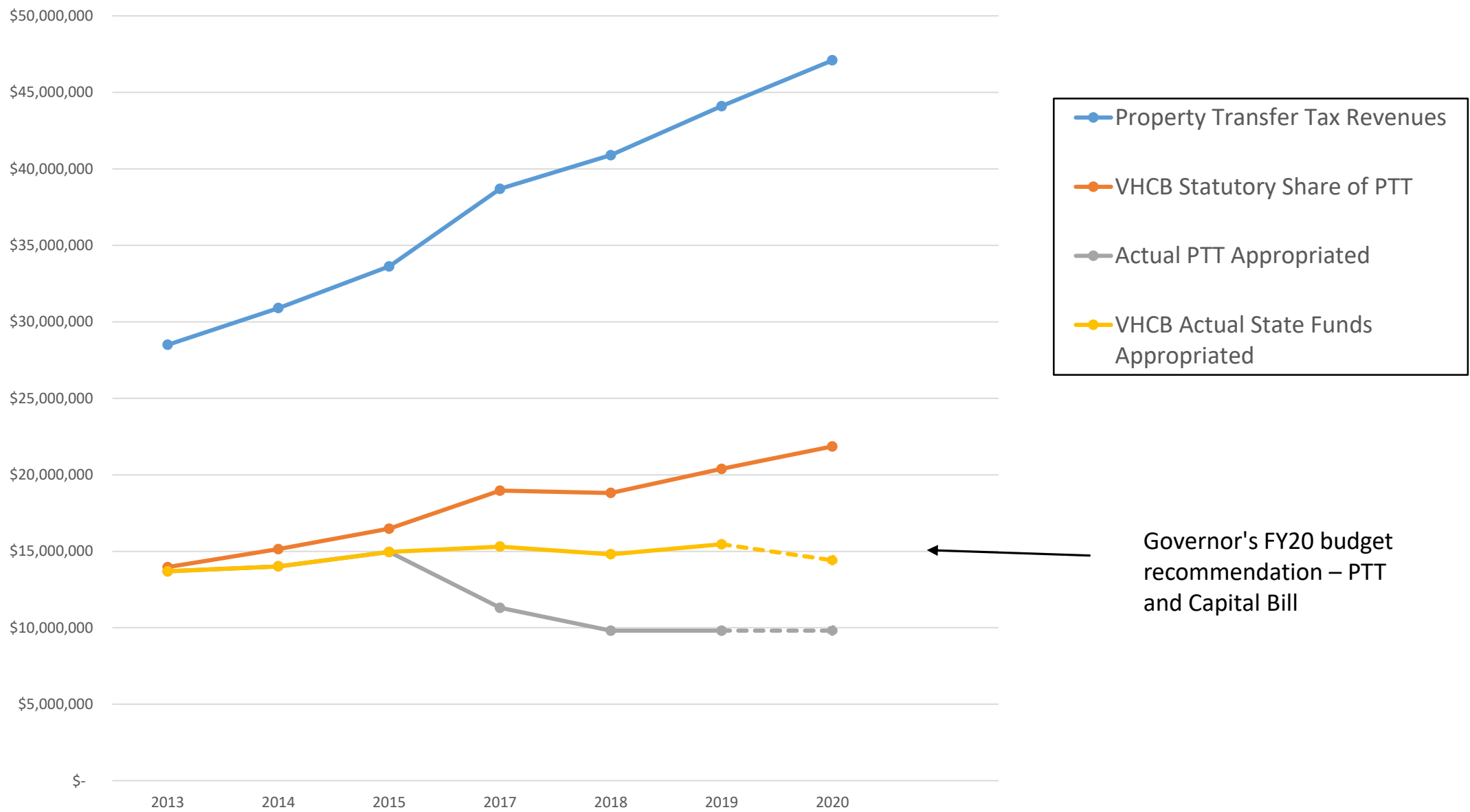


Restoration of the wood-fired oven in the historic Rise Up Bakery adjacent to the Old Labor Hall in Barre

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.
- Roadmap to End Homelessness called for 369 units of permanent supportive housing and 1,251 new homes affordable to the lowest income Vermonters.
- 2018 Point in Time identified 1291 homeless Vermonters on one night.
- 2015 statewide housing needs assessment by Bowen National Research identified a gap of 2,818 homes for families and 3,136 homes for seniors for the period between 2015 and 2020.

VHCB Appropriations 2013-2020



Governor's FY20 budget recommendation – PTT and Capital Bill

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Vermont Housing &

Conservation Board

