



Vermont Housing & Conservation Board
Budget Packet
FY2020

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Introduction to VHCB FY2020 Budget

The Vermont Housing & Conservation Board is a public instrumentality of the State of Vermont, established in 1987 (10 V.S.A. Chapter 15) to improve the economic vitality and quality of life for Vermonters by implementing the dual goals of creating "affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, forestland, important natural areas, recreational lands, and historic properties."

The Board carries out its mission primarily by making grants and loans to undertake affordable housing development or rehabilitation and conservation transactions including both fee purchases of land and purchase of conservation easements. The Board also operates federal, state and privately funded programs that enhance community capacity to implement the Board's mission. Taken together the Board provides capital investment, operating support, and technical assistance for essential community development activities.

VHCB is primarily funded with state and federal funds. By statute, VHCB is to receive 50% of the Property Transfer Tax revenue, calculated after various deductions. For FY2020, Property transfer tax receipts dedicated to the Board's mission would, by statute be \$21.85 million.

The Governor is recommending a total of \$14,404,840 in a combination of Property Transfer Tax allocation (\$9,804,840) and Capital Bill appropriations (\$4,600,000). This amount is \$7,449,160 less than the statutory formula amount.

VHCB's full budget for FY2020 is comprised of the following resources:

- \$9.8 million in Property Transfer Tax revenues in the Appropriations Bill - \$11,304,840 from Property Transfer Tax revenues less \$1.5 million for a portion of the Housing Revenue Bond debt service, for an FY2020 appropriation of \$9,804,840.
- \$4.6 million in Capital Bill Appropriations
- Up to \$6.1 million in Housing Revenue Bond proceeds – remaining balance available for awards
- \$1.1 million in miscellaneous other revenues to be received by VHCB (included in the Appropriations Bill)
- \$11.58 million in Federal resources
- \$7.4 million in Federal resources – Completion of Prior Years' Awards

SUMMARY OF SOURCES	FY2020 Governor Recommend	FY2019 Budget	% Inc (Dec) from FY2019 Budget	Inc (Dec) from FY2019 Budget
Property Transfer Tax (net of \$1.5m Debt Service)	9,804,840	9,804,840	0.0%	-
Capital Bill Appropriation request	4,600,000	5,650,000	-18.6%	(1,050,000)
Housing Revenue Bond - final balance in FY2020	6,100,000	12,000,000	-49.2%	(5,900,000)
Rural Economic Development Initiative	-	75,000	-100.0%	(75,000)
Federal Grants	11,577,177	11,764,813	-1.6%	(187,637)
Other (Loan repayments, interest, mitigation, misc)	1,095,403	1,060,382	3.3%	35,021
Completion of Prior Years' Federal Awards	7,409,047	3,656,000	102.7%	3,753,047
TOTAL Sources:	40,586,467	44,011,035	-7.8%	(3,424,569)

Property Transfer Tax - By statute, the Board receives a percentage of revenue from the Property Transfer Tax (PTT) (50% of revenues, after certain other uses.) The Vermont Housing and Conservation Trust Fund (10 V.S.A. §312) was established as a special fund by the General Assembly to dedicate PTT revenue as a source for affordable housing and conservation. This revenue source was chosen because as property transfers increase the cost of housing, important land and farm resources also increases limiting access for Vermonters. In FY2020, VHCB's statutory share of the Property Transfer Tax is projected at \$21.854 million.

Capital Bill - \$4,600,000 is the total recommendation for VHCB from the FY2020 Capital Bill: \$1,800,000 for housing and \$2,800,000 through the Clean Water Board's section of the Capital Bill, to continue funding \$1.7million in conservation projects, and \$1.1million in water quality farm improvement grants and farm retirement projects.

Housing Revenue Bond (HRB) - In 2017, together, Governor Scott and the Legislature enacted law that provided for the issuance of a Revenue Bond, secured by the Property Transfer Tax, of which VHCB would receive the proceeds for building new, and improving existing, housing stock. Based upon the availability of \$2.5 million in annual debt service payments through FY2038 the Bond issuance yielded \$36.99 million in resources to be awarded to eligible projects over approximately three years. A minimum of 25% of the housing will be targeted to very low income Vermonters (households below 50% of median income) and at least 25% will be targeted to moderate income Vermonters (households between 80 and 120% of median income). In FY2020 VHCB expects to commit the last \$6.1 million of HRB funds.

Federal Resources - federal funds projected in this budget represent only a slight decrease from the prior year, as is the best of our knowledge at this time. Although our projections include the National Housing Trust Fund at \$3,000,000, the grant is at risk, given a variety of factors.

Rural Economic Development Initiative – No funding is recommended for this program for FY2020; however, in FY2018 & FY2019, VHCB received \$75,000 annually for this program. This program was successfully administered by VHCB resulting in generating \$1.78 million in new grant funds to ten communities and enterprises throughout the state.

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

VERMONT HOUSING AND CONSERVATION BOARD
SOURCES AND USES Chart - EXPLANATION, FY2020 BUDGET

VHCB's Sources & Uses Chart presents all of the projected revenue sources of the Board and the planned uses of those resources for the fiscal year 2020.

I. SOURCES OF REVENUE

- **Property Transfer Tax** – The Governor's recommend is \$9,804,840. By statute, VHCB is to receive 50% of the total Property Transfer Tax (PTT) revenues for the year (this 50% is calculated on the balance of projected PTT revenues, the after the deduction of \$2,500,000 for debt service on the Housing Revenue Bond, and the 2% for the Department of Taxes, Division of Property Evaluation & Review). The statute contains "notwithstanding" language, and therefore the final appropriation directs the amount of Property Transfer Tax deposited to the Housing & Conservation Trust fund for use by VHCB. The July 2019 projection of the FY2020 PTT is a continuation of an upward trend. At statutory funding, VHCB's share of the projected PTT would be \$21,854,000 for FY2020; VHCB's statutory share of the projected increase over FY2019 would be \$1,470,000.

In 2017 legislation passed allowing for the issuance of a bond by VHFA of which the proceeds would go to VHCB for affordable housing – the Housing for All Revenue Bond (HRB). The legislation also directs that annually, VHCB's appropriation shall be reduced by \$1,500,000, which will be used towards debt service on the bond.

The Governor's recommendation for FY2020 is \$9,804,840 in Property Transfer Tax revenues (level funding of FY2019; \$11,304,840, less the \$1,500,000 for HRB debt service). The balance of Property Transfer Tax, the difference of \$10,549,160, will go to support the State's FY2020 General Fund.

The Property Transfer Tax revenues are primarily used by VHCB in funding the housing and conservation projects that further our mission. Portions of these resources are used to support several related programs and federal grants that VHCB operates. These projected amounts are reported across the Sources & Uses chart in the respective column to which they are applicable.

- **Capital Bill Appropriation** – A total of \$4,600,000 million has been recommended for FY2020 as follows:
 - \$1.8 million for housing (consistent with prior year);
 - \$2.8 million through the Clean Water Board section of the Capital Bill:
 - \$1.7 million for water quality and other conservation projects (a decrease of \$1,050,000 from FY2019);
 - \$1.1 million for water quality grants to farmers and farm retirements (level with FY2019).
- **Housing Revenue Bond proceeds** – VHCB expects to commit the last \$6.1 million of the \$36.9 million proceeds in the first half of FY2020. Demand for these funds has been high.
- **Loan Repayments** – This amount represents collections of principal & interest on outstanding loans expected to be received during FY2020. Many of VHCB loans are long-term deferred loans on housing projects in which payment to the VHCB occurs after primary project debt is retired.
- **Interest on Fund** – This is an estimate of interest that will be earned on the VHCB Trust Fund account in FY2020.

- **Federal Programs:**
 - NRCS Agriculture Land Easement Program (ALE) (formerly known as the Federal Farm & Ranch Preservation Program) – This federal award supports the VHCB’s Farmland Preservation Program. The 50/50 match required by NRCS in order to utilize these funds is typically met with our PTT and Capital Bill funding.
 - NRCS Regional Conservation Partnership Program (RCPP) – This represents an estimated award of RCPP funds being used to improve water quality in the Lake Champlain basin. These funds are awarded directly to VHCB and can be used only for qualifying easements within the basin. VHCB is also playing a significant role in providing match for the State’s RCPP grant; VHCB is helping to provide \$5.2 million in match over the course of the State’s five year \$16,000,000 grant. RCPP grant funding is coming to a close.
 - AmeriCorps – This amount represents the second year of a three-year AmeriCorps grant cycle. VHCB has successfully operated a statewide AmeriCorps program since 1998.
 - HOME Program – These HUD funds are administered by the VHCB on behalf of the State of Vermont and are used to acquire and rehabilitate multi-family rental housing. Administrative funds provided by this annual grant are shared between the Department of Housing and Community Development and VHCB.
 - National Housing Trust Fund – (HTF) - VHCB is the designated entity to administer this federal program that is designed to create and preserve affordable rental housing for extremely low income households. HTF requires much deeper income targets, focusing on extremely low income Vermonters (below 30% of median income). VHCB has administered three years of HTF funding at the \$3 million level. Funding in FY2020 may be at risk, given it is dependent upon the profitability of two GSEs, FANNIE MAE & FREDDIE MAC, and is at the discretion of a new White House appointee.
 - HOPWA (HUD) – This amount represents the FY2020 portion of a three-year award, federal grant Housing Opportunities for Persons with AIDS. It is administered by the VHCB, and services are delivered by the Vermont State Housing Authority and several AIDS Service Organizations who provide services and housing to persons with AIDS and their families.
 - Healthy & Lead Safe Homes Program - Lead Hazard Control Grant (HUD) – VHCB has been successfully running this program since 1994. VHCB will be applying for our tenth multi-year grant this spring.
- **ACT 250 Mitigation Funds (Housing & Ag)** – These funds come to VHCB as a result of ACT 250 mitigation agreements. Our Ag Mitigation funds are received from commercial developers and are used by VHCB to supplement funding of the farm easement program; Housing mitigation funds typically are a result of development by ski area owners and are targeted to the geographic areas to which they relate. Amounts are estimated; funds are normally paid to VHCB during stages of development.
- **Other** – Represent miscellaneous donation income as well as foundation funding expected for the Farm and Forest Viability Program.
- **Rural Economic Development Initiative** – No funding is recommended for this program for FY2020; however, in FY2018 & FY2019, VHCB received \$75,000 annually for this program, made available as grants funding to VHCB through Vermont’s Agency of Agriculture, Food & Market. This program was successfully administered by VHCB resulting in generating \$1.78 million in new grant funds to ten communities and enterprises throughout the state.
- **Completion of Prior Years’ federal awards** – These amounts represent prior year federal awards made for projects that have not been fully disbursed. Federal revenues reflect the disbursement pace of the projects

funded with federal funds. FY2020 reflects an increase in this line item, largely due to the previously delayed disbursement of the National Housing Trust funds.

II. USES OF FUNDS

- **Operations** –this is the portion of the budget for conducting the operations of organization, spread across the Sources & Uses chart relative to program/grant.
- **Direct Program/Project expense** – This amount includes the staffing and other costs of the direct programs VHCB operates (AmeriCorps, Healthy & Lead Safe Homes Program, and Farm & Forest Viability Program), as well as miscellaneous other direct project costs such as farm appraisals and the costs of required historic and archeological evaluations on particular projects.
- **Project Grants and Loans** –The great majority of the Board’s funds are used to provide grants and/or loans to eligible projects. In housing activities the Board generally provides funds for acquisition and rehabilitation and development of housing properties. For conservation activities, the Board generally provides grants to assist in the purchase of an interest in real estate (an easement or purchase of land in fee). In the case of federal programs, those awards also carry regulatory restrictions.
- **Project Grants and Loans – expenditure of prior years’ federal awards** - (see reference above under Sources section). These are disbursement of prior years’ federal awards in process.

Vermont Housing & Conservation Board - FY2020
 Detail of All Estimated Revenue Sources

Federal Fund		
Federal - FY2020		
HOME Program	2,955,000	
National Housing Trust Fund	3,000,000	
NRCS - ALE	3,000,000	
NRCS RCPP	300,000	
Federal Lead Paint Grant	1,077,049	
Federal Grants - misc	1,245,128	
	Total Federal FY2020	\$ 11,577,177
Federal - Completion of prior years' federal grants		
HOME Program	2,237,855	
National Housing Trust Fund	3,336,192	
NRCS - ALE	1,430,000	
NRCS RCPP - ALE	405,000	
	Total Federal - completion of prior years' federal grants	\$ 7,409,047
	Total Federal Fund #90630	\$ 18,986,224

Special Fund		
	Property Transfer Tax	11,304,840
	VHCB share of Housing Revenue Bond Debt Service	(1,500,000)
	Net Property Transfer Tax	\$ 9,804,840
Loan Repayments	201,877	
Housing Mitigation Funds	25,000	
Act 250 Mitigation Funds	250,000	
Other - Includes FFVP Restricted Grants	278,526	
Interest on Fund	340,000	
	Total Other Revenue	\$ 1,095,403
	Total Special Fund #90610	\$ 10,900,243

Other:

Capital Bond		
Capital Bond Funding - housing	1,800,000	
Capital Bond Funding - water quality conservation	1,700,000	
Capital Bond - water quality farm grants & farm retirements	1,100,000	
	Total Capital Bond	\$ 4,600,000

	Total Special, Federal, & Capital	\$ 34,486,467
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	Housing for All - Housing Revenue Bond - Year 3 of 3	\$ 6,100,000
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**FISCAL YEAR 2020
DEPARTMENT PROGRAM PROFILE**

DEPARTMENT: VERMONT HOUSING & CONSERVATION BOARD

Name and brief narrative description of program		Spec Fund \$\$	Capital Bill Appropriation \$	Housing for All Revenue Bond (HRB) \$\$ *	Fed Funds \$\$	Expenditure of Prior Years' Federal Awards	Total funds \$\$	Authorized positions
HOUSING GRANTS PROGRAM								
FY 2018 expenditures	Grants and loans for perpetually affordable housing development and implementation; support of program & delivery system; Includes HRB.	5,530,127	1,770,907	3,976,671			11,277,705	10.7
FY 2019 estimated expenditures		5,085,074	1,800,000	12,000,000			18,885,074	11.9
FY 2020 budget request		4,936,996	1,800,000	6,100,000			12,836,996	11.6
HOME PROGRAM								
FY 2018 expenditures	Federal grant and loan program for multi-family housing.	27,387			3,543,089	-	3,570,475	2.3
FY 2019 estimated expenditures		99,711			2,955,000	1,830,000	4,884,711	2.8
FY 2020 budget request		109,296			2,955,000	2,237,855	5,302,152	2.8
HUD Housing Trust Fund								
FY 2018 expenditures	Grant and Loan Program for federal National Housing Trust funds for multi-family housing.				1,524,987	-	1,524,987	1.6
FY 2019 estimated expenditures					3,000,000	676,000	3,676,000	1.8
FY 2020 budget request					3,000,000	3,336,192	6,336,192	1.8
USDA-RCPP								
FY 2018 expenditures	Federal water quality improvement program - qualifying easements in Lake Champlain basin.	-			618,358		618,358	-
FY 2019 estimated expenditures					1,000,000	362,000	1,362,000	
FY 2020 budget request					300,000	405,000	705,000	
CONSERVATION-Agriculture/FPP								
FY 2018 expenditures	Development Rights purchase of farmland; associated costs; support of delivery system.	1,642,824	1,028,411		2,353,363	-	5,024,598	5.3
FY 2019 estimated expenditures		2,176,250	2,750,000		2,500,000	788,000	8,214,250	6.5
FY 2020 budget request		2,414,327	1,700,000		3,000,000	1,430,000	8,544,327	6.2
Farm & Forest Viability Program								
FY 2018 expenditures	Provide assistance to farmers, and ag and forest related entities to enhance viability of Vermont agriculture and the forestry industry.	1,473,885	139,540		215,626	-	1,829,052	4.7
FY 2019 estimated expenditures		1,469,015	700,000		373,559		2,542,574	4.6
FY 2020 budget request		1,180,680	700,000		372,127		2,252,807	4.8
CONSERVATION-NHR								
FY 2018 expenditures	Grants for conservation of natural areas, recreational lands and historic properties.	2,781,474	600,500				3,381,974	3.0
FY 2019 estimated expenditures		1,740,648	400,000				2,140,648	2.5
FY 2020 budget request		1,821,062	400,000				2,221,062	3.2
HUD - HOPWA								
FY 2018 expenditures	Federal Grant for Housing Opportunities for Persons with AIDS .	16,586			577,931		594,517	0.3
FY 2019 estimated expenditures		25,073			490,536		515,609	0.3
FY 2020 budget request		41,935			478,000		519,935	0.4
AmeriCorps								
FY 2018 expenditures	Federal Grant - Community Stewardship Prog. - Coordinate placement of AmeriCorp Members with non-profit housing & conservation programs.	326,088			595,766		921,854	2.3
FY 2019 estimated expenditures		344,451			368,669		713,120	2.3
FY 2020 budget request		395,947			395,000		790,947	2.3
Healthy & Lead-safe Hsg Program								
FY 2018 expenditures	Federal Lead-Paint hazard reduction control program serving to eliminate lead poisoning by providing lead-safe housing.				1,089,812		1,089,812	4.0
FY 2019 estimated expenditures					1,077,049		1,077,049	4.7
FY 2020 budget request					1,077,049		1,077,049	4.3
Totals								
	FY 2018 expenditures	11,798,371	3,539,358	3,976,671	10,518,932	-	29,833,332	34.1
	FY 2019 estimated expenditures	10,940,222	5,650,000	12,000,000	11,764,813	3,656,000	44,011,035	37.4
	FY 2020 budget request	10,900,243	4,600,000	6,100,000	11,577,177	7,409,047	40,586,467	37.4

***Housing Revenue Bond presentation**

FY2018 - actual expenditures of \$3.9million made in FY2018, outstanding commitments of \$14 million at 6/30/18

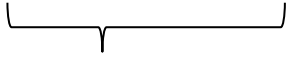
FY2019 - estimated commitments of \$12million (likely to be higher)

FY2020 - estimated commitments of remaining HRB resources \$6.1 million

FY 2020 Crosswalk/Budget Development Form - Vermont Housing & Conservation Board

	Special Fund \$\$	Capital Bill Bond \$	Federal \$\$	Expenditure of Prior Years' Federal Awards	Housing Revenue Bond Proceeds	Total \$\$
Total FY2019 Appropriations/Funding:	10,940,222	5,650,000	11,764,813	3,656,000	12,000,000	44,011,035
CHANGES in Projected Resources (Decrease) Increase:						
Property Transfer Tax						0
Housing Revenue Bond proceeds available to commit					(5,900,000)	(5,900,000)
HOME Program				407,855		407,855
National Housing Trust				2,660,192		2,660,192
Capital Bill		(1,050,000)				(1,050,000)
Other Federal Grants:						
HUD HOPWA			(12,536)			(12,536)
NRCS - ALE Program			500,000	642,000		1,142,000
NRCS - RCPP			(700,000)	43,000		(657,000)
Miscellaneous Federal grants			24,900			24,900
Foundation Grants - FFVP	(382,321)					(382,321)
Loan Repayments	97,342					97,342
Interest on Fund	245,000					245,000
Subtotal of increases/decreases	(39,979)	(1,050,000)	(187,636)	3,753,047	(5,900,000)	(3,424,568)
FY 2020 Governor Recommend	10,900,243	4,600,000	11,577,177	7,409,047	6,100,000	40,586,467

VHCB FY 2019 Appropriation/Funding	10,940,222	5,650,000	11,764,813	3,656,000	12,000,000	44,011,035
TOTAL INCREASES/DECREASES	(39,979)	(1,050,000)	(187,636)	3,753,047	(5,900,000)	(3,424,568)
VHCB FY 2020 Governor Recommend	10,900,243	4,600,000	11,577,177	7,409,047	6,100,000	40,586,467


18,986,224 Total FY2020 Federal appropriation

DEPARTMENT OVERVIEW

Department: VERMONT HOUSING AND CONSERVATION BOARD

MISSION

The Vermont Housing and Conservation Board (VHCB) is a public instrumentality established in 1987 (10 V.S.A. Chapter 15) with the purpose of improving both the economic vitality and the quality of life for Vermonters by implementing the dual goals of creating "affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, important natural areas, recreational lands, and historic properties."

The Board's programs serve low and moderate income Vermonters (families earning below 120% of median income, with an emphasis on very-low income households) and all Vermonters interested in or users of agricultural, natural, and recreational lands, historic properties and affordable housing. The Board makes grants and loans to municipalities, to non-profit organizations, including land trusts and conservation groups, to housing cooperatives, and to qualifying state agencies.

The Board's programs provide communities with a non-regulatory tool that supports Vermont's Land Use Policy of compact settlement surrounded by working landscape.

RESULTS FOR VERMONT

FY18 & FY19

VHCB, FY1988-2019

1029 affordable housing units	13,000 homes
42 farms; 6,063 acres	725 farms; 167,271 acres
22 natural areas; 3,220 acres	267,900 acres of natural areas projects
2 historic projects	70 historic projects
167 farm, forest and food businesses served by the Viability Program	800 businesses served
State Investment: \$38.7M; \$160M leverage	State Investment: \$340M; \$1.7 billion in leverage

PROGRAM HIGHLIGHTS

A key aspect of our mission is supporting rural community development. The impacts of VHCB's housing and conservation investments ripple throughout our economy and communities, producing solid outcomes:

- Enhancing our downtowns and village centers by investing in key historic buildings and infill development;

- Transferring farmland to the next generation while supporting farmers with quality technical assistance and business planning;
- Securing permanent public access to recreational lands, trail networks, forestland and water resources, building the recreation-based economy;
- Reducing and mitigating the impact of homelessness by increasing housing supply, developing supportive housing, and partnering with Vermont's homeless service providers;
- Improving water quality through investments in land conservation and infrastructure improvement projects on farms;
- Mitigating the impacts of climate change through robust, energy efficient building practices, the use of renewable energy resources, forestland conservation, and floodplain restoration;
- Utilizing \$75,000 provided by the Legislature's Rural Economic Development Initiative to help ten communities and businesses win \$1.78 million in new grants.

The housing revenue bond has provided a vital and timely opportunity to accelerate the production of housing. Vermont's policies focusing on water quality, outdoor public recreation and rural community development have all been integrated into our conservation programming. VHCB's job is to be responsive, creative and accountable.

Rural Community Development

The state's investments through VHCB support rural communities in many ways. Investing in housing development contributes to local economies creating jobs for contractors and business for suppliers. Revitalized housing brings historic properties back to life and adds to local grand lists. Capital for agricultural operations and business assistance for farm, food and forestry enterprises boost those economic sectors. Hunters, hikers, cyclists and skiers use trail systems, town and state parks and wildlife management areas, spending on food, lodging, hunting and fishing permits, passes and hard goods, all benefiting local businesses. Examples include: VHCB investments in the historic French Block in Montpelier, the Catamount Community Forest, a new town forest in Williston, Prospect Mountain in Woodford, technical assistance to a logging business in Fletcher, and the Birds Eye Conservation Area in Poultney, Castleton and Ira.

A new Rural Economic Development Initiative (REDI) begun in FY18 and continued in FY19, annually utilized \$75,000 in state REDI funds to help 10 rural enterprises and municipalities apply for and receive \$1.78 million in funding to implement economic development projects from Pownal to Albany.

VHCB is currently working with the Northeast Kingdom communities of Newport and St. Johnsbury as they seek to address critical challenges in heart of their downtowns.

VHCB's farmland conservation investments are protecting our state's most valuable agricultural resources while also providing capital for farmers to diversify, expand, reduce debt, acquire additional land, improve water quality, and often facilitate a transfer to the next generation. More than half of all VHCB farm conservation projects involve a transfer of farm real estate within the family or to new farm buyers. Both proceeds from the sale of conservation easements and a water quality grants program can help farmers implement improvements to meet new state regulations and improve water quality.

Federal funds administered by the USDA Natural Resources Conservation Service provide an indispensable source of matching funds for all of VHCB's farmland conservation projects, providing roughly half of the funding for every conserved farm. Business planning assistance and capital investments made through VHCB's Vermont Farm & Forest Viability Program are enhancing net income for farm and forest enterprises, creating new jobs and proprietorships, and helping drive growth in these sectors.

Water Quality

VHCB invests in the protection and enhancement of the quality of Vermont's waters since its inception. In collaboration with many other agencies and organizations, VHCB is a committed partner in the all-in, team approach to improving water quality in Vermont. Its investments are helping meet state goals and are part of the Clean Water Investment Program and reporting. Water quality and flood resilience attributes are priorities for the conservation of properties that benefit water quality and flood resilience and take affirmative action to improve water quality. Easement restrictions and management plans focus on compliance with state water quality rules, on soil health, and on enhancing environmental stewardship.

Highlights of the effort include:

- In FY18, the General Assembly asked VHCB's Farm & Forest Viability Program to launch a Water Quality Grants program using capital bill funds to make investments on farms as they work to meet Required Agricultural Practices. As of January 2018, 29 grants have been awarded under this program totaling \$881,099 and leveraging an additional \$7.8 million.
- Over the past two years, 36 farms conserved have easement restrictions (all those with surface waters) related to water quality. Sixteen of these farmland conservation projects match state dollars with federal funds from the Regional Conservation Partnership Program focused on improving water quality in the Lake Champlain Basin. Vermont was the first state in the nation to close on a RCPP easement.
- For the past several years a management plan addressing soil health & water quality prior to closing on a farm easement has been an easement requirement;

- VHCB pledged over \$5 million over several years to match a \$16 million federal grant to the state from the Regional Conservation Partnership Program (RCP) award from NRCS;
- In FY18 and the beginning of FY19, the Viability Program has awarded \$492,302 in Dairy Improvement Grants to 17 farmers, leveraging another \$2.2 million for on-farm construction, equipment and improvement projects aimed at increasing farm viability and milk quality and production. Many of these projects contribute to improved soil health and water quality.
- The Viability Program provides financial planning and technical services related to water quality investments and practices to farmers.
- Conservation projects for recreation and wildlife include protection for headwaters shorelines and riparian buffers.

Conservation of agricultural land and natural areas is a cost-effective strategy in delivering clean water, providing flood resilience and driving down compliance costs.

- Achieving the water quality benefits that currently help the state meet the TMDL, would not be possible without the underlying conservation project.
- In some cases, the funds received by landowners in exchange for restricting the activities on their property allows them to pay for expensive and necessary water quality infrastructure improvements. These projects often result in bringing federal resources such as NRCS EQIP funds to Vermont.
- The protections are forever and do not require more resources to renew.
- The protections do not require additional funding for ongoing operating and maintenance.
- Engaging owners in a conservation project often leads to education and the adoption of better water quality practices than would otherwise have been the case.
- Directing state funds for water quality infrastructure improvements to conserved farms helps protect the public investment and make it more cost effective.
- As permanent real property interests, conservation easements are among the most appropriate to be funded by general obligation bond proceeds (capital bill) of all the clean water activities.

The conservation projects VHCB funds also have multiple co-benefits that help advance other state priorities.

- Allowing transfers of agricultural and forest lands to the next generation of owners
- Restoring floodplains and enhancing resilience
- Protecting the landscape on which the outdoor recreation economy depends
- Sequestering carbon in soils and trees
- Avoiding the climate impacts of sprawl and scattered development
- Creating town and community forests in support of the rural economy
- Providing public and affordable access to recreation and healthy living

Housing for All Revenue Bond

In response to increasing pressure on Vermonters from tight housing markets, Governor Scott and the General Assembly set in motion in 2017 a housing revenue bond initiative. The Housing for All Revenue Bond (HRB) generated almost \$37 million in funding for the development and rehabilitation of 550-650 homes that will be affordable to a wide range of households, from very low- to middle-income. To launch the HRB initiative, VHCB held a series of regional meetings around the state to determine the highest priority housing needs and to solicit development ideas.

To date, VHCB has committed \$22 million in HRB funds for 459 homes in 15 towns plus accessibility improvements and Habitat for Humanity homes statewide. HRB funds are matched by state, federal, and private sources leveraging \$115 million thus far. Eighty-six homes are completed with another 240 underway or set to begin construction in 2019. Of the homes funded to date, 36% are targeted to households with incomes below 50% of median and 23% are affordable to those between 80% and 120% of median. VHCB expects to award the remaining HRB funds in the next year and is on track to exceed the production goal of 550-650 homes and income targets.

Housing for the Homeless

Homelessness is the most vexing and heartbreaking challenge we face. Too many Vermonters are left out in the cold or shuttling from couch to car. VHCB and its partners are housing the homeless in ever greater numbers in emergency, transitional, and permanent housing. More than 17% of the permanently affordable apartments owned by Vermont's network of regional housing nonprofits are now home to those who were homeless. VHCB has long been involved in efforts to bring an end to homelessness, largely as a provider of capital for buildings that house Vermont's most vulnerable populations. Since 1990, VHCB has provided approximately \$23 million for 108 properties and more than 1,200 apartments or beds in shelters, transitional and permanent supportive housing. This past year, Vermont's homeless service providers provided emergency housing for 3,900 Vermonters.

The state's investment through VHCB is creating new affordable homes across the state. To date, developments funded by the Housing Revenue Bond have added 80 apartments targeted to those experiencing homelessness. Building on a model developed by the Champlain Housing Trust and the recommendations of the Vermont Roadmap to End Homelessness, affordable housing developers are working with housing authorities and service agencies to open permanent supportive housing in central and southern Vermont. These collaborations bring together the capital, rental subsidies, and supportive services needed by the most vulnerable Vermonters to be successful in their new homes.

Homes for Workers

A shortage of housing options makes it difficult for workers to find a place to live and even harder for those without a home to find and hold a job. Among the new homes and neighborhoods created this year with VHCB support were those Market Street in So. Burlington, Old Depot Street in Putney, and Sykes Mountain Road in Hartford. New residents work in the health care, education, services, manufacturing sectors and are self-employed. The state's investment in affordable housing through VHCB over time has created thousands of homes for workers. In the apartments funded by VHCB and equity through the federal Low Income Housing Tax Credit, 77% of all tax credit households that are not headed by a senior or someone with a disability have employment income. The Housing Revenue Bond is resulting in hundreds of new homes for low and moderate income workers

Homeownership: Creating Opportunity

VHCB support has enabled a statewide network of nonprofit organizations to develop 1,140 units of permanently affordable, resale-restricted, owner occupied housing (also known as shared equity homes). Many of these homes have resold one or more times, providing an opportunity for an additional 584 households to become homeowners. Of these homes, 126 were built by Habitat for Humanity chapters throughout the state. In addition to the buyer-driven program, where homebuyers use a grant from VHCB to purchase a home on the open market, VHCB has also committed funding to homeownership opportunities to be developed by housing nonprofits. In 2018 these include:

- 8 new condominiums at the East Branch Farms development in Manchester;
- Conversion of 19 rentals to condominiums at Fort Ethan Allen in Essex;
- 21 condominiums in the Cambrian Rise development in Burlington;
- Four scattered site purchase/rehabs in central Vermont and four in southeast Vermont.

Farm & Forest Viability

VHCB's Farm & Forest Viability Program and its network of advisors supported the development of more than 167 working lands businesses in 2018. In depth, one-on-one business advising results in increased sales, job creation, improved production and profitability as well as the ability to access financing. The Program continues to develop forestland succession services for landowner families that will help ensure large tracts of forestland stay intact and stewarded. The program has prioritized technical assistance and grant funding to meet current and evolving needs. These include support for farmers to make investments to protect surface waters, as well as for loggers challenged by the downturn in wood markets.

Protecting Forests for Their Multiple Public Values

Vermont is losing 1,500 acres of forest every year, reversing a 150-year trend of forest recovery and expansion. Conversion to development is the most significant and immediate threat to our

forests, creating concern for wildlife, water quality, carbon sequestration, and outdoor recreation. From funding town and community forest projects, to adding to state forests and wildlife management areas, state dollars invested by VHCB are helping maintain the integrity and long-term viability of Vermont's forests for wildlife, recreation, timber production, carbon sequestration and watershed protection.

White River Ledges in Sharon, a project of The Nature Conservancy, protects 457 acres and connects an existing TNC natural area with a state Wildlife Management Area, resulting in a 1,268-acre forest block with 5 miles of frontage on the White River.

A 51-acre addition to the 2,400-acre Pond Woods Wildlife Management Area in Benson has 3,300 feet of shoreline on Sunset Lake, as well as three state-significant forest communities. The land is also part of an interior forest block identified as a high priority habitat linkage.

Kehoe Camp - created new Wildlife Management Area of 280 acres, encompassing Bullhead Pond to add to the Kehoe Green Mountain Conservation Camp, protecting waters that flow into Lake Champlain.

Public Outdoor Recreation—Integral to Vermont's Economy

Outdoor recreation is an important economic driver—estimated to generate \$2.5 billion annually in economic activity between direct spending at outdoor retailers, service providers, and trip expenditures (meals, gas, hotels etc.). Our forests and waters support all manner of recreational activities, from snowmobiling and mountain-biking, to hunting, fishing, and backcountry skiing. Vermonters and visitors engaging in these pursuits support our rural economy by bringing business to small towns, often eating meals, purchasing equipment, or staying overnight. VHCB's partners are working to protect the land on which these activities take place, to provide public access, and to improve trail systems. VHCB has invested in creating and conserving 7 town forests totaling 2,083 acres over the past three years in the communities of Georgia, Richmond, Sharon/Strafford, Waitsfield, Westford, Williston and Windsor as recreational and economic development resources.

- The Vermont River Conservancy aims to permanently protect a swimming hole in every town. With the help of a \$33,000 VHCB award, VRC protected the Rainbow Rock Swimming Hole in Chester, a popular swimming hole and fishing spot within walking distance of the village center.
- VHCB awarded \$199,000 for economic and community development in the Northeast Kingdom towards a recreation and bike path that will connect downtown Newport to trails along Lake Memphremagog and on to recreation and biking trails in Quebec. This project is significant for a city that currently has precious little access to Vermont's second largest lake.

- Catamount Community Forest, a new town forest in Williston, will offer 20 miles of managed skiing and mountain biking trails, including 3.5 miles of ADA-accessible trails as well as land for hunting and hiking.
- Prospect Mountain ski area in Woodford, with 30 kilometers of cross-country ski trails, is used for high school and college races and for recreational skiing by multiple generations of locals as well as people traveling from Massachusetts and New York State. VHCB awarded \$285,000 towards acquisition and conservation of the property, an investment that helped to leverage \$663,837 in private and local fundraising to enable a local nonprofit acquire Prospect Mountain Ski Area as a community asset, continuing the economic, social, environmental, and recreational benefits that Prospect Mountain has provided to the region since 1938.

Historic Preservation

In partnership with the Preservation Trust of Vermont and communities across the state, the Board invests every year in the rehabilitation and restoration of historic public buildings that play an important role in community vitality. From performing arts centers to village stores, these projects can become the keystone of community redevelopment efforts and provide economic stimulus.

As one example, the Rise Up Bakery stands behind Barre's Old Socialist Labor Hall, a building on the National Register of Historic Places. Originally built by granite workers in 1913, the bakery once turned out hundreds of loaves of bread each week. The Barre Historical Society spearheaded the effort to restore the wood-fired bakehouse. The revitalization project has involved local trades students, businesses, nonprofit organizations and community members. As a bread bakery and a teaching kitchen for local culinary students and the community at large, the initiative is a workforce development program with the added benefit of providing educational opportunities, and community building.

Energy Efficiency: Economic and Environmental Benefits

Since 2008, VHCB has strategically invested in energy efficiency improvements in the state's portfolio of affordable housing. Measures include air sealing, increasing insulation, and replacing aging boilers with air source heat pumps and biomass boilers. These energy efficiency improvements reduce operating costs, helping to maintain affordability, and also support the goal of Vermont's Comprehensive Energy Plan to achieve 90% of our total energy needs from renewable sources by 2050.

- In 2017, Vermont's first net-zero apartment building was developed by Cathedral Square Corporation. Certified to the Passive House Standard, Elm Place in Milton provides housing for 30 older adults in a state-of-the-art building located in the center of town. The development won Best Overall Passive Building in the multifamily project category in the 2017 Passive House Institute US Projects Competition.

- At Evergreen Manor, a mobile home park in Hardwick, the Lamoille Housing Partnership used VHCB funding to purchase 14 net-zero–capable modular homes, replacing aging mobile homes and nearly eliminating energy costs for residents while increasing comfort year round.

Food Access & Affordable Housing Initiative

Vermont prides itself as a leader in the local food movement. However, locally produced and nutritious foods tend to be more expensive and are less accessible for the nearly 13% of low-income Vermonters who experience food insecurity. The Food Access & Affordable Housing Initiative is a VHCB effort started in 2014 that seeks to inspire and improve collaboration between affordable housing stakeholders and food systems organizations.

In 2017, with assistance from the High Meadows Fund of the Vermont Community Foundation, the initiative awarded a total of \$14,988 for five projects ranging from cooking and exercise classes to gardening and edible landscaping. These projects target barriers to eating well, from cost, to familiarity with new foods—and ultimately build a sense of community around healthy, local food.

Disaster Resilience

In addition to providing \$2 million to support the FEMA buyouts of homes damaged by Tropical Storm Irene and restoring floodplain, VHCB's housing and conservation investments are making communities more resilient. In Brattleboro, flooded homes were replaced with new housing at Red Clover Commons. VHCB funding is also enabling the town to acquire and restore a former floodplain parcel on the Whetstone Brook, helping protect a Brattleboro residential neighborhood from future flooding. VHCB investments this past year to conserve river shore floodplain parcels will also help the towns of Guilford and Hancock be more resilient to extreme weather events.

LEAN: Process Improvements in Farmland Preservation

VHCB has been steadily implementing the recommendations for improvements to its farmland preservation program identified through a LEAN exercise undertaken with state and federal partner agencies. These improvements are designed to improve service to farmers, better align roles and processes within the limits of federal regulations and, therefore, to better meet the goal of leveraging other resources for the purposes of retaining Vermont's quality agricultural land base and keeping it in active production.

After undertaking the LEAN process VHCB applied for and became the first state jurisdiction to become an NRCS "Certified Entity." This designation delegates authority from the federal government to VHCB. This will speed up the closing process for landowners.

Additional Program Impacts

VHCB's programs and practices have had the following major impacts for Vermonters and Vermont communities:

1. Housing, conservation and historic preservation once viewed as adversarial policy goals, are now viewed as complementary activities that can reinforce each other, focusing housing investment in downtowns, village centers and adjoining neighborhoods while conserving the countryside. This has increased support for affordable housing in several economically exclusive communities (i.e. Stowe, Shelburne, Woodstock, Manchester, Warren, Ludlow, Grand Isle, Dover) where successful developments have been built.
2. A statewide network of non-profit housing and conservation providers give all communities and landowners statewide access to financial resources and technical assistance to implement housing and conservation strategies appropriate to their communities, This is especially important to the more than 95% of Vermont municipalities without professional community development staff.
3. VHCB provides a non-regulatory approach (with compensation) that assists landowners rather than the state or marketplace dictating and restricting options for landowners
4. 62 Federally subsidized at risk housing projects containing more than 2,200 units have been preserved and rehabilitated avoiding displacement or the need to build replacement housing.
5. Farm communities have seen reinvestment, transfer to the next generation and diversification. A total of 725 farms consisting of 167,271 acres have been conserved.
6. The community land trust model of homeownership has been brought to scale - over 1,000 homes and more than 1500 homeowners bringing Vermont worldwide recognition (UN world habitat award), and a recipient of one of six 2016 Renewal Awards from Atlantic Media as a prime example of pragmatic problem solvers within local government, nonprofit groups, small businesses and ordinary citizens.
7. 104 projects have added 193,300 acres to state parks, state forests, and WMAs promoting public access to Vermont's outdoor resources while protecting habitat for natural areas and ecosystems.
8. Service supported housing serving the elderly, disabled, youth at risk, battered women, and offenders has been developed relieving the need for institutional settings (prisons, state hospital, nursing homes, etc.) and the costs related to them.
9. Utilizing \$340 million dollars VHCB's partners have leveraged additional investment of over \$1.7 billion dollars.
10. More than 13,000 units of affordable housing have been created or rehabilitated, mostly in downtowns or village center locations and frequently involving the adaptive reuse of buildings such as former schools or mill buildings and the redevelopment of brownfield sites.
11. In addition to the financial leverage VHCB is able to garner for its program, there are additional forms of leverage that enable VHCB and its partners to serve a larger audience. The Freeman Foundation has helped conserve an additional 200 farms in Vermont expending over \$50 million;
12. More than 1,800 homes have been made accessible in partnership with the Vermont Center for Independent Living.

13. The Farm and Forest Viability Program has assisted more 800 land-based businesses with business plans and technical assistance improving financial acumen, marketing, and other skills. A partnership with Commonwealth Dairy has brought new funding to assist with production improvement. The Program successfully expanded to the forestry sector, enrolling 20 businesses.
14. Water quality and flood resilience are priorities in project selection. Easements on farms conserved with VHCB funds include special protections for surface waters, going beyond Required Agricultural Practices. Two-thirds of the farms conserved by VHCB in FY17 and FY18 are located in the Lake Champlain Basin, and all farms in the past two years containing surface waters have water quality protections in the easement, including over 23 miles of riparian buffers. VHCB also supported the conservation of 3,431 acres of forested uplands, wetlands, and floodplains in 21 towns and 12 counties in the past two years.
15. The statewide non-profit development network has developed 730 new or adaptive reuse units and rehabilitated 2,879 apartments with a total statewide annual savings of 397,000 gallons of fuel. More than 900 Apartments will be heated with modern wood heat. 1,423 apartments utilize photovoltaics for hot water and Vermont's first development utilizing a geothermal system for heating and cooling opened recently in Brattleboro.
16. In partnership with the Vermont Land Trust's Farmland Access Program approximately 60 farmers have purchased their first farm.

VHCB and/or its partners have been successful in winning competitive grant awards, from the MacArthur Foundation to federal housing funding through competitive programs such as RD 515, Federal Home Loan Bank and veterans housing, working with human service agencies to focus on residents in need of services. VHCB's Farm and Forest Viability Program won competitive awards from both USDA's RBEG program, the Beginning Farmers and Ranchers Development Program, and the Northern Borders Regional Commission.

Although VHCB only reports on capital leverage, performance partners have attracted hundreds of additional rental assistance units. This means annual operating subsidies worth approximately \$7,000 on average to each household benefiting from it. Because these contracts generally are renewed over 20 -30 year periods the long term economic impact is enormous. Service supported housing that has allowed reductions in prison populations, nursing home beds, motel nights for the homeless, stays at the state psychiatric hospital and closing of the Brandon training school has leveraged significant savings for the Human Service Agency's budget. Finally, as policy advocates VHCB staff and performance partners have taken the opportunity to work with the congressional delegation in expanding federal resources to implement our mission. These include the development of national programs for farm and forestland protection, expansion of the low income housing tax credit by establishing a small state minimum, expanding the Farm Viability program and developing the National Housing Trust Fund.

VHCB PROGRAMS

In working to achieve the Board's statutory goals the Board provides assistance through the following programs:

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

To learn more about any of VHCB's individual programs please visit our website.
<http://www.vhcb.org>

MEASURING PRODUCTIVITY AND EFFECTIVENESS

VHCB is in the process of developing systems to increase its reporting capability, including performance accountability. VHCB is developing a new database to replace an outdated system. In that process we are evaluating those measures that will best reflect and help determine performance to ensure that all the necessary data is available and tracked.

The Board's mission includes three primary constituencies:

- the Vermonters who benefit from the program investments; and
- the communities where VHCB funded projects are located.
- the partner organizations that develop and implement projects on behalf of Vermonters;

Developing programs in the areas of the Board's mission require partnerships and cooperation among a wide variety of interests. As suggested in performance measurement, these partnerships are necessary to achieving real benefit to those we serve. Throughout our 30 year history, the Board's programs have succeeded due, in large part, to the partnerships developed and maintained with other agencies, nonprofits and others that require a coordinated effort to address the varied and complex needs of those we serve.

In the broadest sense, the mission of the Board lends itself to direct performance benefit for Vermonters.

- VHCB structures its investments in a manner that provides benefit to Vermonters not apparent in the simple numbers. For example, developing and preserving more than 13,000 units of affordable housing is only one aspect of the housing program. Each of those units is designed to be perpetually affordable so that the affordability of that housing stabilizes housing costs for the residents, a benefit that will be passed on to ensuing generations. Previous government programs did not provide for permanent affordability with the public investment. In conservation the investments ensure that the benefit, whether public access and recreation or agriculture land use, is perpetual so that the benefit to the public is preserved with the one-time investment.
- VHCB's housing and conservation funding has focused on strengthening traditional settlement patterns. The Board's housing awards have focused overwhelmingly on downtowns and existing neighborhoods. Conservation projects are developed with the participation of the communities and agency partners with an eye to public access to the resource.
- The Board responded to the charge of building and maintaining capacity by helping to develop and sustain housing development groups and conservation groups serving all areas of the state. The infrastructure was put in place to access VHCB project funds regardless of geographic location. Capacity building has been enhanced by the Farm and Forest Viability Program, supporting more than 800 land-based businesses.
- The Board's process is a voluntary one rather than regulatory. Projects are developed at the local level with knowledge of local needs, leading to a greater likelihood that the end product will serve the needs of the community.

Accountability

VHCB is beginning the review of our outcomes and measurements against the background of Results Based Accountability. We will be involving staff across programs and our partners to make sure we use the most appropriate measures and involve all those who affect the outcomes being measured.

Examples of Measurements

The types of measurements we will build on in the future will be informed by results in a number of our programs, with examples below:

Lead Paint Hazard Reduction Grant

- The blood lead levels in young Vermont children have dropped since the beginning of VHCB's program. While this is a trend nationally, Vermont's drop was ahead of that trend due to the partnerships developed through VHCB's program.

Farm and Forest Viability Program

In 2018, the program assisted a number of businesses to further the mission of enhancing the economic viability of Vermont's farm, food and forest products enterprises

Surveys of participants measuring improved business skills, profitability and job growth.

144 farms received business or transfer planning services

5 food hub businesses received business assistance

12 forest products businesses received business assistance

68 loggers attended 3 business management workshops

43 family forestland owners and consulting foresters attended 4 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

HOME Program

- VHCB's HOME Program is the second highest performing jurisdiction in the country according to data collected by the US Department of Housing & Urban Development.
- Over 54% of VHCB's HOME units are occupied by extremely low-income households (serving that population better than the national average of 40%)
- VHCB won two national awards from HUD for outstanding HOME programs, including Best Rural HOME program in the country and best in building non-profit capacity.

AmeriCorps Program

- The overwhelming majority of sponsoring organizations report their member has a significant impact on their reach, quality and range of services.
- Each year, members directly assist an average 9,000 Vermonters with housing needs, including emergency shelter, financial literacy, and/or transition into permanent housing.
- Through weatherization and other energy efficiency measures, members helped reduce energy consumption of 259 affordable housing units in the past year.
- Last year, a total of 13,074 individuals received environmental education programming led by members at nature centers, day camps and schools.
- Together with volunteers, members annually steward an average of 11,000 acres of conserved and public lands.
- 2,771 economically disadvantaged individuals, including homeless, near-homeless and veterans, received housing placement services, such as housing placements; referrals; applications assistance; job placements; back rent and security deposit assistance; home sharing services; wellness clinics; quality of life services; and more. This includes 932 Homeless Individuals, 98 Homeless Families, and 107 veterans.

- 333 economically disadvantaged individuals transitioned into safe, healthy, affordable housing as a result of AmeriCorps Member services and 421 Units of Housing were improved or made available through landlord negotiation, weatherization, home repairs, housing vouchers, etc.
- 836 economically disadvantaged individuals received financial literacy services, including rental readiness, credit repair counseling, household budgeting, savings account education, and pre and post-purchase education.
- 498 homes have received services intended to improve energy efficiency and/or reduce carbon emissions.
- 4,773 individuals received services to improve access to healthy foods or improved food security
- Of the members that have served in the most recent 3 year grant cycle, 97% noted that the program met their expectations and 99% of members indicated that they would recommend VHCB AmeriCorps to others.

Systems

The Board measures and monitors its productivity through analysis of financial data, project information data, and reports from project grantees as well as a field monitoring program.

Project data is maintained on the VHCB's database. Regular reports are analyzed by both staff and Board to determine if and how the Board's goals are being met and whether grantee performance is satisfactory. These reports are used in determining what types of projects should have priority in the coming years, how closely goals are being met, and in what areas there may be greater need for project development.

The Board produces monthly financial statements using a comprehensive internal fund accounting system. Annually, a financial and federal Single Audit is performed on all the Board's funds by an independent accounting firm. There have been no audit findings. The Board's audited financials are incorporated in the state financial statements as a component unit.

Monitoring

Project reports are submitted by grantees to ensure compliance with grant conditions. Monitoring of projects and grantees is conducted throughout the year by Board staff. Annually, the Board reviews monitoring activity and evaluates performance of grantees as they consider awards for the coming year.

Monitoring of the Board's awards and the award recipients is an on-going activity of the VHCB. There are two dimensions to the monitoring effort: 1) review of written reports submitted by the Grantees, and 2) visits to the Grantees' offices and project sites. In addition, less formal contact

throughout the year often provides information or alerts us to issues outside of the formal monitoring procedures.

The goals of our monitoring effort include:

- 1) assuring compliance with the award conditions;
- 2) reviewing record-keeping and financial systems for VHCB projects;
- 3) using the knowledge gained from past projects and organizational experience to learn to create better projects and program policy in the future;
- 4) discussing with grantees specific problems or needs that grantees might have that are not adequately being addressed. This assists us in both identifying technical assistance needs and offering assistance where appropriate, or identifying workshops or outside assistance;
- 5) receiving feedback from grantees on what VHCB could be doing better.

Projects are monitored in the office by reviewing project reports, and reviewing project status as funds are released. Funds are disbursed at closing only after staff review of grantee compliance with all appropriate conditions. Field monitoring includes a visit to the grantee to go over documentation of grant conditions, and a visit to the project site to see the condition of the project. Board staff conduct periodic reviews of operational systems of grantees and all grantees are required to submit an annual audit conducted by an independent accountant. Every organizational grant has conditions which must be met both prior to disbursement and during the course of the grant period. These are reviewed for compliance. Issues of concern are dealt with in grant conditions, changes in program design, technical assistance activities, and in some instances reduction or elimination of funding.

The Board includes a focus on asset management within the housing portfolio. All projects have capital needs assessments and contributions to capital reserves have been increased to make sure funds are available for needed improvements over time.

In conservation, the Board has a strong focus on stewardship to ensure that the language of the easements is being observed. Properties are monitored regularly and VHCB gets reports on the status of the properties. Landowners must ask for approvals for certain activities to be allowed under the easements, and VHCB staff reviews approximately 60 such requests a year. VHCB receives regular stewardship monitoring reports from organizations with whom we have negotiated a Stewardship Memorandum of Understanding. Easement violations in Vermont are well below the national average. The most prominent type of violation is third party trespass on a conserved property.

FY2020

RECONCILIATION OF BUDGET BOOK TO VHCB BUDGET DOCUMENTS

Vermont Housing & Conservation Board

From Budget Book Budget Summary, page 937	FY 2018			FY 2020 Governor	
	Actual	FY 2019	Recommend		Percentage Chg: FY2020 Gov Rec and FY2019
Appropriation					
Total	\$ 25,672,428	\$ 26,361,035	\$ 29,886,467		
Fund Type					
Federal Fund - VHCB	\$ 9,559,734	\$ 15,420,813	\$ 18,986,224		\$ 3,565,411 23.1%
Special Fund - Housing & Conservation Trust Fund	\$ 16,112,694	\$ 10,940,222	\$ 10,900,243		\$ (39,979) -0.4%
Total	\$ 25,672,428	\$ 26,361,035	\$ 29,886,467		\$ 3,525,432 13.4%

Restated to Include All Resources:				Diff between FY2020 and FY2019	Percentage Chg: FY2020 and FY2019
Fund Type:	FY 2018 Actual	FY 2019	FY 2020		
Housing & Conservation Trust Fund	\$ 11,798,371 *	\$ 10,940,222	\$ 10,900,243	\$ (39,979)	-0.4%
Federal Fund - VHCB	\$ 10,518,932 *	\$ 15,420,813	\$ 18,986,224	\$ 3,565,411	23.1%
Capital Bill Appropriation	\$ 3,539,358 *	\$ 5,650,000	\$ 4,600,000	\$ (1,050,000)	-18.6%
Housing Revenue Bond (HRB)	\$ 3,976,671 **	\$ 12,000,000 **	\$ 6,100,000 **	\$ (5,900,000)	-49.2%
Total:	\$ 29,833,332	\$ 44,011,035	\$ 40,586,467	\$ (3,424,568)	-7.8%

*

Restatement includes: Capital Bill Activity and Appropriations; HRB activity separately disclosed from Trust Fund.

*FY2018 - Amounts are restated to reflect actual spending amounts and agree with VHCB audited financial statements.

** HRB: FY2018 presents expenditures; FY2019 & FY2020 present expected commitments.

Budget Summary

	FY 2018 Actual	FY 2019 Budget as Passed	FY 2020 Governor Recommended
Object Rollups			
Other Operating Expenses	\$4,365,000	\$0	\$0
Grants Rollup	\$21,307,428	\$26,361,035	\$29,886,467
Total	\$25,672,428	\$26,361,035	\$29,886,467
Fund Type			
Federal Funds	\$9,559,734	\$15,420,813	\$18,986,224
Special Fund	\$16,112,694	\$10,940,222	\$10,900,243
Total	\$25,672,428	\$26,361,035	\$29,886,467

Budget Detail

Budget Object	FY 2018 Actuals	FY 2019 As Passed	FY 2020 Governor's Recommend	Difference FY19-20	Percentage Change
Other Operating Expenses					
720010 - Transfer Out-Component Units	\$4,365,000	\$0	\$0	\$0	0.0%
Total	\$4,365,000	\$0	\$0	\$0	0.0%
Grants Rollup					
550220 - Grants	\$8,895,221	\$26,361,035	\$29,886,467	\$3,525,432	13.4%
550240 - Loans	\$11,122,972	\$0	\$0	\$0	0.0%
552990 - Other Direct Grant Expense	\$1,289,235	\$0	\$0	\$0	0.0%
Total	\$21,307,428	\$26,361,035	\$29,886,467	\$3,525,432	13.4%
Grand Total	\$25,672,428	\$26,361,035	\$29,886,467	\$3,525,432	13.4%

Fund	FY 2018 Actuals	FY 2019 As Passed	FY 2020 Governor's Recommend	Difference FY19-20	Percentage Change
90610 - Housing & Conserv Trust Fund	\$16,112,694	\$10,940,222	\$10,900,243	(\$39,979)	-0.4%
90630 - Federal Fund - VHCB	\$9,559,734	\$15,420,813	\$18,986,224	\$3,565,411	23.1%
Total	\$25,672,428	\$26,361,035	\$29,886,467	\$3,525,432	13.4%

