

Testimony, House Committee on Commerce and Economic Development

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Hello. My name is Eileen Peltier, I am the Executive Director of Downstreet Housing and Community Development. First, thank you for all you do for Vermont. This has been a challenging year for all Vermonters, and I know that you all have been hard at work ensuring that those most affected by the pandemic receive the assistance that they need. And, thank you for the opportunity to testify today in support of \$34.8 million in funding for the VHCB.

Today, we are faced with an on-going pandemic that not only threatens the health and lives of all Vermonters, but, has and will continue to impact the economic health of our citizens and our state. With the Governor's stay home, stay safe order last year, we all saw clearly that too many of our neighbors did not have a home to stay safe. Homelessness is a multi-faceted challenge that encompasses a supply shortage, a shortage of much needed financial support through vouchers and a shortage of services for many who need them to maintain their housing. My comments today will focus on the supply shortage and the opportunity we have right now to address the supply shortage and support our vulnerable economy.

Let me begin by focusing our attention on justice. This past year has shown a bright light on our areas of vulnerability and injustice. Housing, healthcare and employment are the basis of a just economic system and for good reason. Economic Justice is defined as a set of moral principles for building economic institutions, the goal of which is to create opportunity for each person to have a dignified, productive and creative life beyond economics. At the very least, a dignified life beyond economics is one where we each have a place to call home and a meaningful job. Investing in housing meets that moral principle that builds economic justice.

In October of 2019, Downstreet and the City of Montpelier opened the Taylor Street Apartments and Transit Center before a crowd of more than 500. The Taylor Street project provides 30 mixed-income apartments, a multi-model transit center, a waterfront park and the completion of the pedestrian walkway in Montpelier. These are all visible outcomes of this project which included \$497,718 in VHCB funds as well as \$1,952,282 from the Housing Revenue Bond. Though less visible, but equally important, is the economic impact of the investment in this project.

Of course there is job creation both during and after construction. Every \$1 million in VHCB funds spent on construction activity creates 36 new jobs in the construction industry. When you add in "ripple effect" jobs created throughout the rest of the local economy, that number rises to 63. And \$1.95 is generated in the local economy for every dollar spent on housing. That is great news for a struggling economy. In 2014, the City of Montpelier engaged Northern Economic Consulting to assess the economic impacts of the Taylor Street project. They estimated that each year the taxable retail and restaurant spending would be approximately

\$350,000. This is an on-going economic stimulant of the housing and transit center. Investing in VHCB creates jobs, increases the tax base, and stimulates business revenues all while providing homes that are safe and affordable.

Let me take a brief moment to tell you a bit about the people who live at the Taylor Street Apartments. They include 8 retired Vermonters, 15 hard-working citizens, a stay at home mother, and 6 neighbors unable to work due to disability. These residents work in child care, retail, accounting, law and more. Five of the residents were previously homeless. Together, a wonderful mix of Vermonters.

Taylor Street is just one example of the many successful and impactful projects that investing in VHCB generates every year. Making a \$34.8-million-dollar investment in VHCB now can and will both help address our supply challenge and will stimulate our struggling economy. For Downstreet and our many colleagues around the state, we are ready to go. Our pipeline at Downstreet includes a new construction 30-unit project in Berlin that is close to many jobs and will primarily serve families and a nine-unit project in Barre City that will rehab the vacant, historic Ward 5 School and will provide 9 project based vouchers primarily to homeless individuals and families many of whom are living in our hotels today.

Investing in affordable homeownership is also an important way we can address the housing supply issue and boost the economy. Downstreet is currently in pre-development on a homeownership project in the Mad River Valley that will provide affordable homes for up to 8 families. Many who work in the Valley are unable to afford to live there. The Valley towns have asked Downstreet to work on a model that will allow low to mid-income Vermonters to live where they work. With a solid investment in VHCB this year, projects like these will have a much greater likelihood of success.

Capital for affordable housing projects in Vermont is highly competitive. The Low Income Housing Tax Credits(LIHTC) are the primary funding mechanism and provide about 60% of the capital. The remaining 40% are a mix of sources including VHCB. In a time when the LIHTC funds are limited by our federal allocation, expanding the availability of VHCB capital will ensure more projects creating rental homes that are affordable for low and moderate-income Vermonters will be completed.

In closing, I want to thank you for your past support of VHCB. A new investment of \$34.8 million in VHCB will go far. It will reduce the supply challenge and boost the economy both in the short and long term. And, it will support our moral imperative to create a just economic system for all Vermonters. Thank you for your time and consideration.