



**House & Senate Appropriations Committees
Budget Public Hearing Testimony 28 February 2023
Robert Little, Director of Community Development**

Chair Kitchel, Chair Lanpher, and distinguished Committee Members:

My name is Robert Little, and I serve as the Director of Community Development at RuralEdge, the nonprofit affordable housing developer in the Northeast Kingdom. I also serve as Vice-Chair of the Vermont Affordable Housing Coalition.

First, I want to thank you and your colleagues for your continued transformational investment you have made in affordable housing that has allowed RuralEdge to bring 74 new units on-line, with another 132 under construction or have funding secured since 2020. RuralEdge has an application currently under consideration by VHCB for funding at their May meeting for Packard Court, thirty new units of housing filling a vacant Main Street site in St. Johnsbury, a priority project for the community. This funding is imperative to VHCB's ability to fund this important development. **With 14 projects in our pipeline for the next four years, we ask for your continued support in the FY24 Budget by providing the Vermont Housing & Conservation Board (VHCB) with full statutory funding totaling \$27.8 Million dollars.**

Of the 14 projects in our pipeline, we have a great diversity of needs to address. Packard Court is a substantial new property on Main Street in St. Johnsbury. Thanks to an introduction from Senator Kitchel, we are in active conversations to acquire and rehab Danville Senior Housing with the goal of preserving this naturally occurring affordable housing for the next generation.

While new units are of great importance during a housing crisis, we must also remember that VHCB investment requires that a property remain affordable in perpetuity. This means that, after some time, a property needs to be recapitalized at a smaller amount than the initial investment to keep the property safe and in good repair, in addition to perpetually affordable. Crystal Lake Housing in Barton is 15 units across three buildings that have been in the RuralEdge portfolio for over 15 years and need significant capital repairs and energy efficiency upgrades to keep the property in service to this underserved community for the next 20 years or more. While these rehabilitation projects are important, one-time ARPA funding cannot go towards these rehabilitation projects, meaning that we rely on VHCB general funds to make this work possible.

With the need for more new units, these rehabilitation projects cannot be forgotten. With one-time funding ending, these rehabilitation projects will have to compete with new projects for funding. To that end, the \$15.4 Million in the proposed budget to VHCB is insufficient to meet the diverse needs of affordable housing, not to mention the importance of conservation projects also funded through VHCB general funds. The proposed \$25 Million in Budget Adjustment has sent a signal to developers not to slow down their development efforts; providing full-statutory funding of \$27.8 Million to VHCB would send an even greater signal that you are doing everything possible to address the diverse housing needs Vermonters are facing during this time of crisis.

Thank you for your time and your consideration of this important request.