



VERMONT HOUSING and CONSERVATION COALITION

April 11, 2024

Dear Chair Kitchel and members of the Senate Committee on Appropriations:

As members of the Vermont Housing and Conservation Coalition – a group of organizations creating permanently affordable housing and stewarding conserved land in communities across the state – we would like to voice our support for strong investments in housing and land conservation in the FY25 budget.

Investments through the Vermont Housing and Conservation Board create permanent homes and protection of land that benefit Vermonters forever. During the pandemic, 1,000 Vermonters exited homelessness into the state's portfolio of permanently affordable housing; these are homes that we did not need to build new but, because of the wisdom of the policy of permanent affordability, were there in our time of need. The wisdom of investments in VHCB and permanent affordability will be even more impactful in the future.

We extend our gratitude for your committed efforts in FY24 to secure near-statutory funding for VHCB and the historic investments you have made in the construction of affordable housing for low- and moderate-income Vermonters. As you work on the FY25 budget, we ask that you support the Governor and the House's recommendation to fully fund VHCB and dedicate any new revenue from changes to the Property Transfer Tax to alleviating Vermont's housing crisis.

Vermont's housing crisis is multi-faceted and requires a comprehensive, flexible and coordinated response: 3,295 Vermonters are homeless, market studies indicate that Vermont lacks at least 6,000 affordable rental homes, and only 4,600 renters are financially able to access the traditional homeownership, down from 24,000 in 2020 due to high home prices and interest rates. VHCB is our state's primary tool supporting a long-term, permanent solutions to the shortage of affordable housing in Vermont through critical investments along the housing spectrum, including:

- **Shelter:** The Board has invested in nearly every emergency shelter in the State creating or improving 489 beds since 2020 ensuring Vermonters who experience homelessness have access to shelter and services.
- **Permanently affordable rental housing:** Affordable housing provides homes for Vermont's essential workforce and prevents homelessness. Since 2020, VHCB funding has helped to address Vermont's housing shortage by producing and preserving 1,979 rental homes.
- **Affordable homeownership:** VHCB supports the construction and purchase of affordable homes for purchase by Vermonters shut out of the traditional market. This one-time investment ensures affordable access for generations.

- Responding to urgent needs: In response to urgent needs, VHCB has stood up a farmworker housing program, funded housing for refugee families, and supported housing for Vermonters with disabilities.

It is clear that today's housing crisis is not a crisis of the moment, but instead demands a long-term solution and we ask that you continue to treat it as such. Investments in permanently affordable housing will reduce future pressures on health care and emergency assistance while building more resilient communities. Across the state, the homeowners and tenants who benefit from VHCB's funding are Vermont's essential workforce, including our health aides, teachers, public safety personnel, and social service workers. We must continue to build upon Vermont's portfolio of 15,000 affordable homes to ensure that Vermonters endure not only the current crisis, but inevitable economic downturns in the future.

As we work to conserve land across Vermont to ensure access for farming, the viability of working lands businesses, and resiliency in the face of climate change, we face the same real estate pressures experienced in the housing market. Investments through VHCB are a critical tool for helping Vermont meet the resiliency and biodiversity goals laid out last session in Act 59 to conserve 30 percent of Vermont by 2030 and 50 percent by 2050. If we are to reach these targets, it will require sustained state investment.

Starting in FY25, Vermont will have a unique opportunity to access significant funds for farmland conservation, helping to preserve the affordability of farmland and the viability of working lands businesses. The Inflation Reduction Act included an allocation of \$13 million above Vermont's regular farmland conservation allocation to be drawn down over the next several years. **VHCB dollars provide the one-to-one match for this program and are critical to Vermont's ability to maximize this one-time federal resource.**

In recent years, you made historic investments in VHCB that have benefited Vermonters by increasing the state's affordable housing stock. VHCB is well-positioned to help provide continued relief from today's environmental and economic pressures.

Unfortunately, when viewing both the base and one-time funding proposed, the Governor's recommended budget reduces VHCB's capacity to invest in Vermont communities by roughly 80 percent to the lowest budget seen since 2017. Two bills, S.311 and H.829 seek to increase revenues through the Property Transfer Tax for VHCB or with one-time funding. To continue the state's efforts to make progress on its stated priorities, we ask that the Senate Committee on Appropriations dedicate any increase in PTT revenue to critical housing programs, with a core component being funding for VHCB's housing investments.

Thank you for your continued efforts to support VHCB and balance needs across state government. Please do not hesitate to reach out if we can help answer any questions.

Sincerely,

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