

**CHAMPLAIN
HOUSING TRUST**



Providing Permanently
Affordable Housing in
Northwestern Vermont

Ten Year Affordable Housing & Services Modeling



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OVERVIEW / PURPOSE OF THE MODEL

** This model is a framework for housing development and service delivery created by **assembling 18 different variables**.

** **It is not a housing needs assessment**, it's a housing and services delivery model that received input from more than a dozen leaders.

** This model is **based on the existing capacity in the affordable housing development sector** and **invests in services** for vulnerable Vermonters.

** The focus is on new spending to continue the progress made over the past few years.

** The projection estimates **7,560 homes or apartments over 10 years** and **300 shelter or other beds** for people who are unhoused.

** The estimated cost to the State for both development and services is about **\$200 million per year**.

** The capital investment **conservatively leverages an estimated \$1.5 billion over ten years** in federal funds and private investment or lending.

** **It's critical to focus on more than just one or two things**. We need to make it easier to build, we need more shelters, and we also need to invest in permanently affordable housing at the same time.

** **Biggest risk is not acting**. We need a path to move on from motels, help employers recruit workers, and reduce housing costs for Vermonters.

SUMMARY OF HOUSING & BEDS CREATED

IMMEDIATE NEW HOUSING OR BEDS FOR UNHOUSED -- TO BE CREATED IN THE NEXT 2-3 YEARS

Agency/Type of Housing or Beds	Number created in 2-3 years	notes
VHCB - Permanent Supportive Housing (apartments with dedicated service staff on site)	200	VHCB has worked with several community partners to deliver supportive housing over the years. Could be conversions of motels or other property done quicker w/100% dedicated to people exiting homelessness.
VHCB - Non-congregate shelter beds	200	Expansion of shelters statewide
Agency of Human Services - medical respite or specialized need beds	100	A better option that sits somewhere between a motel room and inpatient or nursing bed. To be completed in the next two years.
IMMEDIATE (2-3 YRS) NEW HOUSING OR BEDS	500	

AVERAGE NEW PERMANENT HOUSING CREATED ANNUALLY FOR NEXT 10 YEARS

Agency/Type of Housing	Total over next 10 years	notes
VHCB - Various programs, including rental housing, farmworker housing, manufactured homes	3,908	Utilize the capacity of the affordable housing network to deliver range of new housing (see future tabs)
VHFA & VHCB - Homeownership	1,553	Based on 2022-23 pilot program capacity and prediction of pipeline
Dept Housing & Community Development - Vermont Housing Improvement Program (VHIP)	1,200	Continued value and lower cost per unit than some options, but may decline in out years due to lack of vacant stock available to rehab
VHFA - Manufactured Homes	700	Funded with existing state tax credit, plus some with VHCB
TOTAL NEW OVER TEN YEARS	7,361	(+ 200 Permanent Supportive Housing = 7,561)

APTS AND BEDS AVAILABLE TO HELP PEOPLE WHO ARE UNHOUSED

PROJECTION HOUSED/SHELTERED	TARGET %	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
NEW RENTAL CONSTRUCTION for previously unhoused	25%	94	54	60	75	85	81	77	73	70	67	63
NEW VHIP apartments for previously unhoused	50%	100	100	50	50	50	50	50	50	50	50	50
NEW Permanent Supportive Housing	100%	75	75	50	-	-	-	-	-	-	-	-
NEW Medical Respite or Specialized/higher need beds	100%	50	50	-	-	-	-	-	-	-	-	-
NEW Shelter Beds	100%	125	75	-	-	-	-	-	-	-	-	-
TOTAL NEW APTS OR BEDS DEDICATED UNHOUSED	-->	444	354	160	125	135	131	127	123	120	117	113
EXISTING Portfolio (NOT new, benefit of permanently affordable housing)	35%	420	420	420	420	420	420	420	420	420	420	420
TOTAL ADD'L BEDS OR APTS AVAILABLE FOR UNHOUSED	-->	864	774	580	545	555	551	547	543	540	537	533
CUMULATIVE	-->	864	1,639	2,218	2,763	3,318	3,869	4,415	4,958	5,498	6,035	6,568

NEW CAPITAL, SERVICE AND OPERATIONS SPENDING PER FY

NEW CAPITAL SPENDING (in millions)	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
VHCB - Housing / Shelter Production										
<i>Shelter Beds</i>	23.8	14.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Permanent Supportive Housing</i>	26.3	26.3	17.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Homeownership</i>	9.8	10.1	10.4	10.8	11.2	11.6	12.0	12.5	13.0	13.5
<i>Rental production</i>	47.2	56.4	79.0	96.4	96.0	95.6	95.2	95.3	94.8	94.3
<i>Farmworker Housing</i>	3.0	3.0	3.0	2.8	2.8	2.8	2.8	2.2	2.2	2.2
Total VHCB Housing Production	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0
<i>AHS - Specialized Needs Beds</i>	17.5	17.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DHCD - VHIP (Rental Rehab / ADUs)	10.0	10.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Manf'd Home Communities - Various	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
VFHA - Homeownership Development	24.7	25.9	27.2	28.6	30.0	31.5	33.1	34.7	36.5	38.3
NEW CAPITAL SPENDING (in millions)	177.2	178.4	157.2	158.6	160.0	161.5	163.1	164.7	166.5	168.3

NEW SERVICE / OPERATIONS SPENDING (in millions)	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Resident Services Fund	6.0	6.4	6.6	6.9	7.2	7.5	7.8	8.2	8.5	8.8
Eviction Prevention	4.0	4.1	4.2	4.4	4.5	4.6	4.8	4.9	5.1	5.2
Permanent Supportive Housing - Services	0.8	1.7	2.5	3.2	3.3	3.3	3.4	3.6	3.7	3.8
Permanent Supportive Housing - Vouchers	0.9	1.8	2.8	3.5	3.6	3.7	3.8	3.9	4.0	4.1
Specialized needs beds	1.3	2.5	2.6	2.7	2.7	2.8	2.9	3.0	3.1	3.2
Shelter Operations	7.7	11.2	11.5	11.9	12.2	12.6	13.0	13.3	13.7	14.2
NEW SERVICE / OPERATIONS SPENDING (in millions)	20.6	27.7	30.3	32.4	33.4	34.6	35.7	36.9	38.0	39.2

TOTAL NEW SERVICE + CAPITAL SPENDING	197.8	206.1	187.5	190.9	193.4	196.1	198.8	201.6	204.5	207.5
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CALCULATION / ASSUMPTION NUMBERS

CAPITAL NEEDED -- INPUTS FOR CALCULATIONS

Inflation on new construction	5%	There has been a lot of volatility but will we see pandemic impact fade?
Cost per Rental Apartment	\$475,000	Cost has been a range between \$350K to \$550K over the past few years. Will Act 250 reform reduce costs? Leverages significant federal tax credits and other funding
Cost per Apartment, Vermont Housing Improvement Program (VHIP)	\$50,000	Current max limit is \$50,000/apartment; Administration proposes increase to \$70,000/apt
Cost per Home, owner occupied	\$475,000	Cost has ranged between \$350to \$550K. Habitat for Humanity homes are typically less. Act 250 reform? Other leverage possible: NMTC, philanthropy, land donations, local trust funds, etc
Cost per shelter bed	\$190,000	Average from VHCB. No add'l funds leveraged
Cost per unit of Permanent Supportive Housing	\$350,000	Some properties might be acquisition/rehab and some may be new construction
Cost per medical respite or specialized need bed	\$350,000	Some properties might be acquisition/rehab and some may be new construction

NEW SERVICES/OPERATIONS

Inflation on services and operations	3%	Standard COLA
Cost of Resident Services, per apartment, per year	\$2,000	Cost for services delivered through rentals developed in general affordable housing portfolio -- ie, not specialized or permanent supportive housing
Percentage of NEW apartments needing services	50%	As new apartments are added to housing porfolio and more people with needs are housed, perhaps half of residents may need to access services
Services for Permanent Supportive Housing, per year	\$10,700	Based on existing models and experience
Housing subsidy for Permanent Supportive Housing, per year	\$12,000	State subsidy of \$1,000 per month; ideally a bridge to a federal voucher
Shelter cost per night	\$120	Cost ranges from \$100 to \$140 per night; used midpoint
Medical respite/specialized need beds cost per bed, per year	\$25,000	This encompasses a wide range of possible responses and costs may vary greatly per type of program. Some may be Medicaid eligible? AHS can fine tune

PERMANENT HOUSING FOR PEOPLE EXPERIENCING HOMELESSNESS

Percentage of new apartments dedicated for unhoused	25%	Current percentage to secure tax credits and also
Percentage of VHIP for unhoused	50%	Current program allows for two options: 1) grant funded, 5 years with someone exiting homelessness; 2) 10 year forgivable loan at Fair Market Rent. How many reserved for people exiting homelessness?
Existing affordable housing turnover used for unhoused	35%	Existing permanently affordable housing is a resource for communities. At tenant turnover, between 30 and 40% of apartments take someone in from Coordinated Entry
Existing rental turnover per year	1,200	The number of apartments in affordable housing network that turnover each year

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