



January 23rd, 2025

House Appropriations and General & Housing Committees
Vermont State House
115 State Street
Montpelier, VT 05633

Dear Representatives,

Thank you for the opportunity to offer our support of funding for the Vermont Housing and Finance Agency (VHFA) in the FY25 BAA. We appreciate the efforts of both of your committees to expand access to housing in Vermont while also maintaining our state's environmental integrity and shared commitment to creating just, equitable communities. **Vermont Businesses for Social Responsibility strongly supports the \$25,000,000 budget request to the Department of Housing and Community Development for a grant to the Vermont Housing Finance Agency for the Middle-Income Homeownership Development Program and Vermont Rental Revolving Loan Fund.**

Vermont Businesses for Social Responsibility (VBSR) is a statewide, nonprofit business association with a mission to leverage the power of business for positive social and environmental impact. For over 30 years, our organization has promoted the opportunity and responsibility of the business community to set a high standard for protecting the natural, human, and economic environments of our citizens.

Most of our members are small employers. Roughly 35% employ 10 Full time employees (FTEs) or less, 65% employ 50 FTEs or less, and only about 6% (or 40 companies) employ 300 or more FTEs. The link between economic stability and housing is undeniable. Housing profoundly impacts many sectors of the economy, including workforce housing, construction, mortgage brokers, transportation, and heating and cooling, to name a few. Our members have spoken clearly, we must take on the serious challenge of Vermont's housing crisis head on.

The scarcity of adequate housing in Vermont costs both employers and employees. The struggle to find accessible and affordable housing can lead households to seek employment elsewhere, often due to long commutes or expensive markets. In response, employers must offer more competitive wages and benefits to attract and retain employees, alongside increased turnover costs. For these, and many more ethical and economic reasons, we support the

funding request for the following Vermont Housing and Finance Agency (VHFA) programs in the FY25 BAA.

The Rental Revolving Loan Fund Program

This VHFA program provides low/no interest loans to rental housing developers up to 35% of the cost to meet the housing needs of moderate-income households earning between 65-150% AMI. It brings together new and emerging developers, municipalities and employers to support a community's housing ecosystem. In 2024, VHFA awarded just under \$10M and will create 292 apartments (259 affordable). This program also leveraged \$21M in municipal and employer investments. This is a revolving loan and we hope to add to it as resources allow. All funds were awarded in 2024. More information about the program can be found [here](#).

The Middle-Income Homeownership Development Program

This program launched in 2023 and provided funding to housing developers for up to 35% of the cost to increase the supply of moderately priced, newly constructed homes. VHFA awarded \$24M to developers, who are building 125 homes at an average purchase price of just under \$195k, with an average subsidy of just over \$130k. 55% of funds awarded went to Shared Equity homes, offered by Vermont's nonprofit housing organizations. All funds were awarded in 2023 and VHFA hopes to re-open this program in 2025 if additional funds become available. More information about the program can be found [here](#).

Thank you for your tireless work on behalf of Vermont's businesses and communities. VBSR will continue to advocate for state and federal investment to increase Vermont's housing stock and bolster access to housing for low-to-moderate-income Vermonters. We hope that your committees will support this important budget request.

Sincerely,



Roxanne Vought
Executive Director