

Chairpersons and Members of the Joint Legislative Committee on the Budget:

Thank you for the opportunity to testify today. My name is Elise Shanbacker and I am the Executive Director of Addison Housing Works; I am also a resident of Vergennes. I am here to strongly support base funding for the Vermont Housing and Conservation Board (VHCB) at \$36.9 million, as well as an additional \$40 million to ensure that all anticipated housing projects can move forward this year.

Providing base funding is essential, but we must acknowledge that it represents only half the level of VHCB funding in recent years. Vermont simply cannot afford to cut affordable housing production in half when we are already producing less than half the homes needed to meet our projected demand of 5,000 to 7,000 units per year between now and 2030. If we want to address our housing crisis meaningfully, we must not only maintain but increase our investments in housing production.

In Addison County, we have been putting state housing investments to work with tangible results from creating new workforce housing to reinvesting in critical infrastructure. For example, with VHCB support, last year we reinvested \$5 million into a community wastewater system serving 67 households in Middlebury who were experiencing sewage backing up into their bathtubs and washing machines due to outdated failing septic. \$650 thousand in state VHCB funds leveraged \$3.5 million in federal funds that are not only ensuring these 67 homes will exist for future generations of Vermonters, but also potentially will support the development of new cost-effective manufactured housing in Middlebury.

We have also completed preliminary engineering for over \$20 million in additional critical infrastructure investments to sustain our manufactured housing communities, ensuring long-term affordability while protecting water quality, health, and safety. Without robust investment in VHCB, construction of these projects may not be able to go forward, jeopardizing critical rural housing stock that can represent up to one in five housing units in towns like Starksboro.

I also would like to underscore the importance of the Mobile Home Improvement and Repair (aka MHIR) program, but accessing this program can be a challenge for residents—many of whom work full time, are elderly, or have disabilities. The paperwork, online applications, and income verification process can be overwhelming. Thanks to VHCB's support for our resident services program, we have been able to assist residents with securing estimates, completing applications, and appealing denials. To date, we have helped our residents secure over \$450,000 in MHIR funds to make their homes safer and

more energy efficient—money that likely would have gone unused without nonprofit support ensuring access.

Finally, state VHCB funding has helped us develop much-needed affordable apartments. Most recently, in Bristol's new mixed-use Stoney Hill development we partnered with a private developer to build workforce housing (including five middle-income and 15 low-income units) at Firehouse Apartments. For this project, \$1.1 million in state-funded VHCB dollars leveraged an additional \$7.2 million in private equity and federal funding, boosting the local economy while expanding housing opportunities.

VHCB funding is not just about building homes—it's about leveraging resources, maximizing impact, and ensuring that Vermont's workforce and vulnerable populations have safe, stable, and affordable places to live. As Vermont seeks to unleash private development through also-needed regulatory reform, we cannot afford to leave our most vulnerable neighbors out of this growth. Cutting funding now would be a step backward, slowing economic growth and exacerbating our housing crisis. I urge you to fully fund VHCB to ensure Vermont meets its housing needs today and in the years ahead.

Thank you for your time and consideration.