I offer a few thoughts after watching other testimony.

- Re. my comment about the state housing needs assessment: While the work is done by VHFA (and uses HUD-approved methodology), the most commonly used figure reflects an unlikely assumption that skews the top line figure. That is, a third of all estimated demand is due to "pandemic-era demand" (11,582 of 35,815). If demand returns to pre-pandemic levels, the total figure drops to 24,233 - a long way from the 40,000 used by many advocates in this discourse. In any case, we certainly need a lot more housing, but we should not exaggerate demand because it can lead to imprudent choices.

- Re. my comment about prioritizing housing development near jobs: Here is a quote from the housing needs assessment. "*More affordable homes near employment centers also open a path to filling vacant jobs and ensuring an adequate future construction and service workforce*."

- Re. fiscal impacts:
    - Subsequent testimony alluded to the oft-heard assertion that TIF has no impact on taxpayers. In fact, the amounts diverted from the Ed Fund by TIF towns must still be raised as TIF has no impact on total spending obligations for schools. That means that the Ed Fund monies withheld by TIF towns, must be paid by taxpayers in other towns. JFO estimated the cost at $5 - $7 million annually but if demand for project-based TIF is anywhere near the figures cited by the VLCT representatives than the money withheld will grow significantly. A fiscal note should be conducted to estimate the impact on households for a few scenarios.
    - I heard someone say that using Ed Fund money is preferable to relying on the General funds. I question this because the Ed Fund is a decidedly regressive tax, while much of the GF revenue comes from our progressive income tax, including substantial contributions from tourists and second homeowners.

- Re. public benefit: The housing needs assessment focuses on affordable housing for renters and home buyers. The severe shortages of affordable units reflects a failure of the market that needs to be addressed. The absence of any affordability requirements in the bill is troubling.

- Re. risk to the host munivipality: The VLCT reps pooh-poohed the risk for the municipality from the possibility of the increment not meeting the town's debt service needs. In theory, the projects will generate sufficient increment, but as we know, not all developments succeed. Any number of unanticipated things can go wrong after the town incurs debt. To ignore that possibility is unreasonable, imprudent and unfair to the taxpayers who may be called upon to cure the problem.

- Re. TIF in the USA: VLCT noted that 30 states have TIF tools in place. I encourage you to ask the advocates for information about the extent to which those states' TIF programs produced affordable housing.

- Re. Timing: A discussion about when the State can realistically evaluate the program assumed that well-resourced towns with well organized developers could break ground in 2028. That may well be true but that does not mean you can't review early efforts before then. Each project proposal requires approval of the project plan by the town and VEPC. If you require developers to provide information on the expected rental or purchase prices of the housing anticipated you will have a good idea of whether the program will meet the needs of low- and moderate-income Vermonters as stated in the Purpose sectiion.

Respectfully,
Doug